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中達金融集團有限公司
Central Wealth Financial Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 572)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "**Board**") of Central Wealth Financial Group Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2015 together with comparative figures for the previous year as follows:

FINANCIAL SUMMARY

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	Notes	**2015** *HKD'000*	2014 *HKD'000*
Continuing operations			
Turnover – gross proceeds	*4*	**220,485**	124,956
Revenue	*5*	**41,178**	68,821
Cost of sales		**(28,031)**	(45,012)
Gross profit		**13,147**	23,809
Other revenue	*6*	**220**	13
Selling and distribution expenses		**(1,398)**	(520)
Administrative expenses		**(17,669)**	(17,155)
Impairment loss recognised in respect of receivables from Ease Faith Limited		**(17,616)**	–
Change in fair value of held-for-trading investments		**(9,037)**	–
Change in fair value of investment property		**6,207**	–
Change in fair value of derivative financial instrument		**5,292**	–
Gain on disposal of subsidiaries		**1,335**	–
Gain on deregistration of a subsidiary		**149**	–
Share of loss of associates		**(240)**	–
Share-based payment expenses		**(27,163)**	(4,861)

	Notes	**2015**	2014
	Notes	***HKD'000***	*HKD'000*
Operating (loss) profit		**(46,773)**	1,286
Finance costs	*7*	**(501)**	(77)
(Loss) profit before income tax		**(47,274)**	1,209
Income tax expense	*8*	**(350)**	(1,560)
Loss for the year from continuing operations	*9*	**(47,624)**	(351)
Discontinued operations			
Gain on waiver of the amount due to a deconsolidated subsidiary		**–**	3,066
Profit for the year from discontinued operations		**–**	3,066
(Loss) profit for the year		**(47,624)**	2,715
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(161)**	(60)
Release of translation reserve upon deregistration of a subsidiary		**(3)**	–
Release of translation reserve upon disposal of subsidiaries		**222**	–
Other comprehensive income (expense) for the year, net of income tax		**58**	(60)
Total comprehensive (expense) income for the year		**(47,566)**	2,655

	Notes	**2015**	2014
		HKD'000	*HKD'000*
(Loss) profit for the year attributable to owners of the Company			
– from continuing operations		**(47,620)**	(351)
– from discontinued operations		**–**	3,066
		(47,620)	2,715
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(4)**	–
		(47,624)	2,715
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(47,562)**	2,655
Non-controlling interest		**(4)**	–
		(47,566)	2,655
(Loss) earnings per share attributable to owners of the Company	*11*		
From continuing and discontinued operations			
– Basic		**(HK1.22 cents)**	HK0.10 cents
– Diluted		**N/A**	HK0.10 cents
From continuing operations			
– Basic		**(HK1.22 cents)**	(HK0.01 cents)
– Diluted		**N/A**	N/A

Consolidated Statement of Financial Position

At 31 December 2015

	Notes	2015 HKD'000	2014 HKD'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,001**	579
Investment property		**403,000**	–
Interests in associates		**3,160**	–
		408,161	579
CURRENT ASSETS			
Inventories		**–**	313
Held-for-trading investments		**6,732**	–
Trade and other receivables	*12*	**28,683**	40,826
Loan and interest receivables	*12*	**12,020**	–
Loan receivable from an associate		**80,000**	–
Derivative financial instrument		**5,292**	–
Cash and bank balances		**98,114**	45,082
		230,841	86,221
CURRENT LIABILITIES			
Trade and other payables	*13*	**20,840**	21,237
Amount due to a former director		**–**	104
Bank borrowings		**187,180**	–
Tax liabilities		**1,767**	1,560
		209,787	22,901
NET CURRENT ASSETS		**21,054**	63,320
NET ASSETS		**429,215**	63,899
CAPITAL AND RESERVES			
Share capital		**5,778**	3,285
Reserves		**423,441**	60,614
Equity attributable to owners of the Company		**429,219**	63,899
Non-controlling interest		**(4)**	–
TOTAL EQUITY		**429,215**	63,899

NOTES

1. GENERAL

Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited) (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Pursuant to the special resolution passed at the extraordinary general meeting of the Company on 15 January 2016, the Company's name has been changed from "China For You Group Company Limited 中國富佑集團有限公司" to "Central Wealth Financial Group Limited 中達金融集團有限公司".

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in the trading business and related services, securities trading and investment, provision of financing services and property investment. On 31 December 2014, the board of directors of the Company ("**Board**") resolved to discontinue the operating segment of manufacture and sale of tinplate cans for the packaging of beverage in the People's Republic of China (the "**PRC**"), due to the reallocation and concentration of resources to other business sectors.

The consolidated financial statements are presented in Hong Kong dollars ("**HKD**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE CONSOLIDATION FINANCIAL STATEMENTS

Deconsolidation of two subsidiaries of the Company

Following the Board has suspended Mr. He Jianhong ("**Mr. He**") from his position as the chairman and executive director of the Company with effect from 27 January 2014 due to continued absence without cause, despite repeated verbal and written requests, the Board has been unable to contact the legal representative, directors and management of its indirect wholly owned subsidiary, Shanxi Zhanpen Metal Products Co., Limited*（山西展鵬金屬製品有限公司）("**Zhanpen**"), the principal and operating subsidiary of the Company, and obtain and access to the books and records of Zhanpen and Bloxworth Enterprises Limited ("**Bloxworth**"), being an immediate holding company of Zhanpen and a direct wholly owned subsidiary of the Company (Zhanpen and Bloxworth are collectively referred to as the "**Deconsolidated Subsidiaries**").

Due to the non-cooperation of the directors and management of the Deconsolidated Subsidiaries and the continued absence of Mr. He from the Company, the Board has been unable to access to the books and records of the Deconsolidated Subsidiaries despite the fact that the Board has taken all reasonable steps and has used its best endeavors to resolve the matter. Accordingly, on 25 March 2014, the Board resolved that the Group no longer had the power to govern the financial and operating policies of the Deconsolidated Subsidiaries, and the control over the Deconsolidated Subsidiaries was lost on that date.

Given these circumstances, the directors of the Company (the "**Directors**") have not consolidated the financial statements of the Deconsolidated Subsidiaries for the period from 1 January 2014 to 24 March 2014 in the consolidated financial statements of the Group for the year ended 31 December 2014. As such, the results of the Deconsolidated Subsidiaries for the period from 1 January 2014 to 24 March 2014 have not been included into the consolidated financial statements of the Group.

In the opinion of the Directors, the consolidated financial statements of the Group for the year ended 31 December 2014 are prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the aforesaid incomplete books and records of the Deconsolidated Subsidiaries.

* *For identification purpose only*

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs")

Application of new and revised HKFRSs and HKASs

The Group has applied the following amendments to HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKAS 19	Defined Benefits Plans: Employee Contributions
Annual Improvements Project	Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements Project	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs and HKASs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs and HKASs in issued but not yet effective

The Group has not early applied the following new and revised HKFRSs and HKASs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Annual Improvements Project	Annual Improvements to HKFRSs 2012-2014 Cycle[1]

[1] *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*

[2] *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

4. TURNOVER

Turnover represents the gross proceeds received and receivable from i) trading business and related services; ii) securities trading and investment; iii) provision of financing services; and iv) property investment during the year. An analysis of the Group's turnover for the year from continuing operations is as follows:

	2015	2014
	HKD'000	*HKD'000*
Income from trading business and related services	**34,750**	68,495
Gross proceeds from disposal of held-for-trading investments	**183,640**	56,461
Dividend income from held-for-trading investments	**471**	–
Interest income from provision of financing services	**1,174**	–
Rental income from property investment	**450**	–
	220,485	124,956

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2015, "Provision of financing services" and "Property investment" became new operating activities of the Group and they are separately assessed by the chief operating decision makers. Therefore, they are reported as new reportable and operating segments.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

– Trading business and related services

– Securities trading and investment

– Provision of financing services

– Property investment

As detailed in Note 1 to this announcement, on 31 December 2014, the Board resolved to discontinue the operating segment of manufacture and sale of tinplate cans packaging business due to the reallocation and concentration of resources to other business sectors. The segment information reported does not include any amounts for this discontinued operations.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

Continuing operations

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*
Turnover	**34,750**	68,495	**184,111**	56,461	**1,174**	N/A	**450**	N/A	**220,485**	124,956
Revenue										
– External sales	**34,750**	68,495	**4,804**	326	**1,174**	N/A	**450**	N/A	**41,178**	68,821
Segment result	**(18,263)**	16,932	**(5,600)**	190	**1,103**	N/A	**6,194**	N/A	**(16,566)**	17,122
Unallocated corporate income									**220**	13
Unallocated corporate expenses									**(9,463)**	(10,988)
Change in fair value of derivative financial instrument									**5,292**	–
Gain on disposal of subsidiaries									**746**	–
Share of loss of associates									**(240)**	–
Share-based payment expenses									**(27,163)**	(4,861)
Finance costs									**(100)**	(77)
(Loss) profit before income tax (continuing operations)									**(47,274)**	1,209

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss from)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, other revenue, certain gain on disposal of subsidiaries, share-based payment expenses, change in fair value of derivative financial instrument, share of loss of associates and certain finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2015	2014
	HKD'000	*HKD'000*
Segment assets		
Trading business and related services	**28,527**	74,058
Securities trading and investment	**8,047**	2,316
Provision of financing services	**16,406**	–
Property investment	**404,976**	–
Total segment assets	**457,956**	76,374
Unallocated corporate assets	**181,046**	10,426
Consolidated assets	**639,002**	86,800
Segment liabilities		
Trading business and related services	**6,077**	7,017
Securities trading and investment	**80**	62
Provision of financing services	**230**	–
Property investment	**188,130**	–
Total segment liabilities	**194,517**	7,079
Unallocated corporate liabilities	**15,270**	15,822
Consolidated liabilities	**209,787**	22,901

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other that interest in associates, derivative financial instrument, loan receivable from an associate, certain other receivables and certain cash and bank balances; and

- all liabilities are allocated to operating segments other than certain other payables.

Other segment information

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Unallocated		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*
Amounts included in the measure of segment profit or loss or segment assets:												
Addition to property, plant and equipment	**7**	–	**800**	–	**–**	N/A	**–**	N/A	**120**	–	**927**	–
Addition to intangible asset	**46**	–	**–**	–	**–**	N/A	**–**	N/A	**–**	–	**46**	–
Acquisition of investment property through acquisition of a subsidiary	**–**	–	**–**	–	**–**	N/A	**396,793**	N/A	**–**	–	**396,793**	–
Acquisition of property, plant and equipment through acquisition of a subsidiary	**–**	–	**–**	–	**–**	N/A	**2,226**	N/A	**–**	–	**2,226**	–
Disposal of property, plant and equipment through disposal of subsidiaries	**–**	–	**–**	–	**–**	N/A	**–**	N/A	**(120)**	–	**(120)**	–
Depreciation of property, plant and equipment	**185**	184	**67**	–	**–**	N/A	**37**	N/A	**–**	–	**289**	184
Impairment loss recognised in respect of receivables from Ease Faith Limited	**17,616**	–	**–**	–	**–**	N/A	**–**	N/A	**–**	–	**17,616**	–
Change in fair value of held-for-trading investments	**–**	–	**9,037**	–	**–**	N/A	**–**	N/A	**–**	–	**9,037**	–
Change in fair value of investment property	**–**	–	**–**	–	**–**	N/A	**(6,207)**	N/A	**–**	–	**(6,207)**	–
Finance costs	**–**	–	**15**	10	**–**	N/A	**401**	N/A	**85**	67	**501**	77
Gain on disposal of subsidiaries	**(589)**	–	**–**	–	**–**	N/A	**–**	N/A	**(746)**	–	**(1,335)**	–
Gain on deregistration of a subsidiary	**(149)**	–	**–**	–	**–**	N/A	**–**	N/A	**–**	–	**(149)**	–
Income tax expense	**170**	1,530	**–**	30	**180**	N/A	**–**	N/A	**–**	–	**350**	1,560
Amounts regularly provided to the chief operating decision makers but not included in the measure of segment profit or loss or segment assets:												
Interest income	**(12)**	(1)	**(1)**	(8)	**(3)**	N/A	**(1)**	N/A	**(44)**	(2)	**(61)**	(11)
Share of loss of associates	**–**	–	**–**	–	**–**	N/A	**–**	N/A	**240**	–	**240**	–
Change in fair value of derivative financial instrument	**–**	–	**–**	–	**–**	N/A	**–**	N/A	**(5,292)**	–	**(5,292)**	–

Geographical information

The Group's operations are located in Hong Kong and PRC for the years ended 31 December 2015 and 2014. Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*
Hong Kong	**35,912**	42,841	**408,161**	579
PRC	**5,266**	25,980	**–**	–
	41,178	68,821	**408,161**	579

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

Customer	**2015**	2014
	HKD'000	*HKD'000*
A[1]	**–**	26,400
B[1]	**–**	24,570
C[1]	**17,620**	8,638
D[1]	**11,864**	–

[1] *Revenue from trading business and related services*

6. OTHER REVENUE

	2015	2014
	HKD'000	*HKD'000*
Continuing operations		
Interest income on bank deposits	**26**	4
Interest income on time deposit	**35**	7
Net foreign exchange gains	**156**	–
Sundry income	**3**	2
	220	13

7. FINANCE COSTS

	2015	2014
	HKD'000	*HKD'000*
Continuing operations		
Interest expenses on:		
Other borrowing	**–**	67
Bank borrowings	**401**	–
Promissory notes	**82**	–
Others	**18**	10
	501	77

8. INCOME TAX EXPENSE

	2015	2014
	HKD'000	*HKD'000*
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	**340**	1,427
– PRC Enterprise Income Tax	**10**	133
	350	1,560

Notes:

1) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

2) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for year ended 31 December 2014.

3) On 13 March 2015, the Ministry of Finance ("**MOF**") and the State Administration of Taxation ("**SAT**") issued "Preferential Income Tax Policies for Small and Low-Profit Enterprises" (Caishui 2015 No. 34), which is in effective from 1 January 2015 to 31 December 2017. Based on the announcement, small and low-profit PRC enterprises whose annual taxable income not exceeding RMB200,000, shall be subject to income tax at the rate of 20% on 50% of the taxable income.

9. LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging:

	2015	2014
	HKD'000	*HKD'000*
Directors' and chief executive's emoluments	**12,455**	3,481
Other staff costs	**3,701**	1,695
Contributions to retirement benefits scheme	**463**	48
Share-based payment expenses for employees	**3,014**	548
Total staff costs	**19,633**	5,772
Auditor's remuneration:		
– Audit services	**520**	500
– Other services	**560**	448
Cost of inventories recognised as an expense	**27,187**	45,012
Depreciation of property, plant and equipment	**289**	184
Amortisation of intangible assets	**5**	–
Minimum lease payments in respect of operating lease of:		
– Internet hardware and software	**544**	66
– Premises	**1,729**	1,015
Share-based payment expenses for consultants	**14,893**	3,764

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

11. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2015	2014
	HKD'000	*HKD'000*
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(47,620)**	2,715

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**3,907,977**	2,738,575
Effect of dilutive potential ordinary shares:		
Share options issued by the Company *(note)*	**N/A**	67,321
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**3,907,977**	2,805,896

Note:

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share for the year which is regarded as anti-dilutive.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2015	2014
	HKD'000	*HKD'000*
(Loss) profit for the year attributable to owners of the Company	**(47,620)**	2,715
Less: Profit for the year from discontinued operations	**–**	(3,066)
Loss for the purpose of basic loss per share from continuing operations	**(47,620)**	(351)

The denominator used is the same as those detailed above for both basic and diluted loss per share.

Note:

The computation of diluted loss per share for continuing operations for the years ended 31 December 2015 and 31 December 2014 does not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share for the years which is regarded as anti-dilutive.

12. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES

		2015	2014
	Notes	***HKD'000***	*HKD'000*
Trade receivables	*(i)*	**24,954**	22,113
Receivable from Ease Faith Limited	*(ii)*	**17,616**	17,616
Less: allowance of doubtful debts		**(17,616)**	–
		–	17,616
Other receivables, deposits and prepayments		**3,729**	1,097
Total trade and other receivables		**28,683**	40,826
Loan and interest receivables (including interest receivables of approximately HKD20,000 (2014: Nil))	*(iii)*	**12,020**	–

Notes:

(i) Trade receivables

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods supplied to customers. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers the credit information of the potential customer in assessing the customer's credit quality and defines the credit limits for that customer.

During the year ended 31 December 2015, the Group generally allows an average credit period of 120 days (2014: 120 days) to its customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2015	2014
	HKD'000	*HKD'000*
0 – 30 days	**–**	22,113
31 – 60 days	**16,210**	–
61 – 90 days	**–**	–
91 – 120 days	**8,744**	–
	24,954	22,113

At 31 December 2015 and 31 December 2014, the Directors considered that no impairment is necessary as the receivable is not yet past due and subsequent settlements are noted.

At the end of each reporting period, the Group's trade and other receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral for all of its trade receivables as at 31 December 2015 and 31 December 2014.

(ii) Receivable from Ease Faith Limited ("Ease Faith")

Following the suspension of the position, functions and duties held by Mr. He with effective from 27 January 2014, the Directors conducted reviews of the major projects and transactions of the Group. During the course of the internal review (the "**Internal Review**"), the Company noted that, Great Rich Trading Limited ("**Great Rich**"), a wholly owned subsidiary of the Company, entered into two sales contracts with Ease Faith to purchase raw materials for the purpose of trading (the "**Sales Contracts**") and paid a deposit of approximately HKD17,616,000 (the "**Receivable**"). Subsequently, Ease Faith failed to deliver the raw materials to Great Rich.

On 25 March 2014, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region by as the plaintiff claiming against Ease Faith, the supplier, as the defendant, for breach of the Sales Contracts or alternatively, money had and received. The representatives of the Group had taken part in the mediation with Ease Faith. The Directors consider that possibility of Great Rich to recover the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015. Details are also set out in Note 14(b) to this announcement.

The movements in allowance for doubtful debts of receivable from Ease Faith are as follows:

	2015	2014
	HKD'000	*HKD'000*
At 1 January	**–**	–
Impairment loss recognised	**17,616**	–
At 31 December	**17,616**	–

(iii) Loan and interest receivables

The loan receivables are unsecured, bear fixed interest rate at 1.5% per annum (2014: Nil) and repayable according to the loan agreements.

The maturity profile of these loan and interest receivables, net of impairment losses recognised, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	2015	2014
	HKD'000	*HKD'000*
More than 2 months but less than 1 year	**12,020**	–

The loan receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, aging analysis of accounts and on management's judgment, including the current creditworthiness and the past statistics of individually significant accounts or a portfolio of accounts on a collective basis.

On 1 September 2015, the Group lent a loan to an independent third party amounted to HKD4,000,000 which bear fixed interest rate at 1.5% per annum. The balance is unsecured and repayable in March 2016.

On 11 December 2015, the Company noted that this borrower acquired 7.79% issued shares of the Company in total and become a shareholder of the Company.

As at 31 December 2015, including in the loan and interest receivables is an amount due from a shareholder of HKD4,005,000.

During the year ended 31 December 2015, the Directors considered that no impairment loss on loan and interest receivables is necessary as the loan and interest receivables are not yet past due and subsequent settlements are noted (2014: Nil).

13. TRADE AND OTHER PAYABLES

	2015	2014
	HKD'000	*HKD'000*
Trade payables	**–**	173
Other payables and accrual *(Note)*	**20,840**	21,064
	20,840	21,237

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2015	2014
	HKD'000	*HKD'000*
0 – 30 days	**–**	173

Notes:

Material balances included in other payables and accrual are as follows:

(i) The amount due to Mr. He's wife of HKD310,000 as at 31 December 2015 and 31 December 2014.

(ii) The amount due to Able Success Asia Limited ("**Able Success**") of approximately HKD15,264,000 as at 31 December 2015 and 31 December 2014.

During the year ended 31 December 2015, the average credit period on purchases of goods is 30 days (2014: 30 days). The Group has financial risk management policies in place to ensure that all trade payables would be settled within the credit timeframe.

14. LITIGATIONS AND CONTINGENCIES

a) The alleged guarantee and the claim

In December 2013, the Board received demand letter from alleged creditors of two companies, requesting the Company, being the alleged guarantor of debts in the total sum of approximately RMB842 million owed by two companies (the "**Alleged Creditors**") unknown to the Company (the "**Alleged Guarantees**"), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the Alleged Creditors would take legal action against the Company.

On 14 January 2014, the Company received a writ of summons and statement of claim issued by 廣東省金屬回收公司 (Guangdong Metal Recycling Corporation*) ("**GMRC**"), one of the two Alleged Creditors in relation to the Alleged Guarantees, against: (i) Able Success as 1st defendant; (ii) Mr. He as the 2nd defendant; and (iii) the Company as the 3rd defendant, claiming an aggregate sum of approximately RMB644 million (the "**Claim**").

In response to the Claim, the Company submitted the defence (the "**Alleged Guarantee Defence**"), which avers, inter alia, that:

(a) neither the Board nor the shareholders of the Company had approved or authorised the execution of the purported guarantees or any other documents in favour of GMRC on behalf of the Company;

(b) GMRC had actual, alternatively imputed, knowledge or notice of the lack of authority and/or capacity of Mr. He to execute the purported guarantees, and did not deal with the Company in good faith;

(c) the purported guarantees were executed by Mr. He ultra vires and void for want of authority and/or capacity;

(d) further or alternatively, the making of the purported guarantees was without any benefit whatsoever to the Company as it was given without any consideration provided by GMRC and was neither in the commercial interests of, nor authorised by, the Company, and constituted a purported disposal of its capital without receiving a benefit in return; and

(e) the Company denies that GMRC is entitled to any of its claims and/or interest as alleged in the Claim.

The Company states that it did not approve and did not authorise any person to enter into the Alleged Guarantees on behalf of the Company and was not aware of the existence of the same beforehand.

After taking legal advice from the legal adviser, the Board is of the view that the Alleged Guarantees and the Claim are void and unenforceable and the Company has valid grounds to defend. The Company will take all necessary steps to resist the Alleged Guarantees and Claim. Accordingly, there should not be any material impact on the financial position of the Company and the Group.

* *For identification purpose only*

b) Disputes for receivables from Ease Faith

As detailed in Note 12(ii) to this announcement, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region as the plaintiff claiming against Ease Faith, the supplier in the Sales Contracts as the defendant, for breach of the Sales Contracts or unjust enrichment on money had and received.

After taking legal advice from legal adviser, the Board is of the view that Great Rich has a reasonable chance on its claims against Ease Faith. However, after the representatives of the Group had taken part in mediation with Ease Faith during this year, the Directors consider that the possibility of Great Rich recovering the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015.

15. EVENTS AFTER REPORTING PERIOD

Major transaction for the acquisition of the entire equity interests of Chinacorp (HK) Investment Limited ("Target Company")

Pursuant to the Company's announcement dated 2 February 2016, Skypark Developments Limited ("**Skypark**"), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Eternal Vantage Investment Limited (the "**Vendor**"), an independent third party, in relation to the proposed acquisition of 1 ordinary share of Target Company and all obligations, liabilities and debts owing or incurred by Target Company by Skypark for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 will be satisfied in cash and the remaining balance of HKD85,000,000 shall be satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion. The long stop date is 31 May 2016. The main business of the Target Company is engaged in property investment.

Very substantial disposal for the disposal of the entire equity interests of Sky Eagle Global Limited ("Disposal Company") and its subsidiary Metro Victor Limited (collectively referred to as the "Disposal Group")

Pursuant to the Company's announcement dated 4 March 2016, the Company entered into the sale and purchase agreement with Gold Mission Limited ("**Gold Mission**"), an independent third party, in relation to the proposed disposal of 1 ordinary share of the Disposal Company and all obligations, liabilities and debts owing or incurred by the Disposal Company to the Company for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 will be satisfied in cash, and the remaining balance of HKD211,000,000 shall be satisfied by the allotment and issue of 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion. The long stop date is 15 July 2016. The main business of the Disposal Group was engaged in property investment.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's audited consolidated financial statements for the year ended 31 December 2015 which has included a disclaimer of opinion:

"BASIS FOR DISCLAIMER OF OPINION

Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2014 (the "**2014 Financial Statements**"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was qualified because of the significance of the possible effect of the limitations on the scope of our audit, details of which are set out in our audit report dated 31 March 2015. Any adjustments found to be necessary to the opening balances as at 1 January 2015 may affect the results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2015. The comparative figures for the year ended 31 December 2014 shown in these consolidated financial statements may not be comparable with the figures for the current year.

Impairment of other receivables

As disclosed in Note 22(ii) to the consolidated financial statements, the Directors are of the view that the Group is less likely to recover the outstanding balance due from Ease Faith Limited amounted to approximately HKD17,616,000 and therefore, full impairment had been provided on such balance for the year ended 31 December 2015. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of such other receivable as at 31 December 2013 and 2014. Any adjustments to the above impairment found to be necessary would affect the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

Balance of the amount due to Able Success Asia Limited ("Able Success")

At 31 December 2015, included in other payable is a balance of approximately HKD15,264,000 being amount due to the former holding company, Able Success, a company incorporated in the British Virgin Island with limited liability, the entire issued share capital of which is beneficially owned by Mr. He Jianhong ("**Mr. He**"). Mr. He's position as the chairman and executive director of the Company was suspended with effect from 27 January 2014 and was removed with effect from 10 October 2014. We were unable to obtain direct confirmation from Able Success and other supporting evidence to satisfy ourselves as to whether the balance are free from material misstatement. There were no other alternative audit procedures that we could carry out to obtain sufficient and appropriate audit evidence to verify the accuracy and completeness of this balance as at 31 December 2015. Accordingly, we were unable to satisfy ourselves as to whether the amount due to Able Success were fairly stated.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance."

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in (i) trading business and related services; (ii) securities trading and investment; (iii) provision of financing services, and (iv) investment property in Hong Kong.

The consolidated net loss attributable to owners of the Company for the year ended 31 December 2015 was approximately HKD47,620,000 equivalent to a loss of Hong Kong 1.22 cents per share, compared with a profit of HKD2,715,000, equivalent to an earning of Hong Kong 0.10 cents per share for last year. The loss was mainly attributed to (i) impairment loss amounted to approximately HKD17,616,000 recognised in respect of other receivable; (ii) net unrealised loss of investments at fair value through profit or loss of approximately HKD9,037,000; and (iii) the share-based payment expenses of approximately HKD27,163,000 arising from granting of share options during the year ended 31 December 2015.

In regard to the operational front, the Group recorded a revenue of approximately HKD41,178,000 for the year ended 31 December 2015, representing an decrease of 40.2% compared with last year. The decrease in revenue was resulted from the decrease in scale of the trading business and net realised gain from trading of listed securities.

Trading business and related services

During the year ended 31 December 2015, the revenue for the mobile shopping platform together with the trading business amounted to approximately HKD34,750,000 (2014: HKD68,495,000) and a loss of approximately HKD18,263,000 (2014: profit of approximately HKD16,932,000) was recorded which was mainly due to impairment loss amounted to approximately HKD17,616,000 recognised in respect of other receivable and decrease in demand from our customers.

On 3 November 2015, the Group entered into the conditional sale and purchase agreement (the "**Disposal Agreement**") with Mr. Chen Huaide, the former Chairman and a former executive director of the Company who resigned as Chairman and an executive director of the Company with effect from 24 November 2015, pursuant to which the Group has agreed to sell 100% equity interest of wholly owned subsidiary Boway Enterprises (International) Limited ("**Boway Enterprises**") at a consideration of HKD3,300,000. Boway Enterprises is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and wholly owned a subsidiary 廣州富佑網絡科技有限公司 (Guangzhou For You Internet Technology Company Limited*)("**Guangzhou For You**"), a company established in the PRC with limited liability. Guangzhou For You is principally engaged in trading business through the one-stop online shopping platform by using the customers' internet connected mobile devices such as smartphones and tablet PCs. This mobile shopping platform can be accessed through the WeChat Public Platform*（微信公眾平台）. The disposal was completed on 31 December 2015 and recorded a gain on disposal of subsidiaries of approximately HKD589,000.

The disposal constituted a major transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and a connected transaction of the Company under Chapter 14A of the Listing Rules. The disposal was approved at the extraordinary general meeting on 23 December 2015 and was completed on 31 December 2015. For detail, please refer to the Company's announcement dated 3 November 2015 and circular dated 8 December 2015.

The Company considers that the disposal is an opportunity for the Company to realise its investments in Boway Enterprises and Guangzhou For You. Further, the proceeds from the disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

Treasury Business

The treasury business includes securities trading and money lending business.

The Group's securities trading portfolio comprised of securities listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2015. The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. For the year ended 31 December 2015, the revenue of trading securities amounted to approximately HKD4,804,000 (2014: HKD326,000) and a loss of approximately HKD5,600,000 (2014: profit of approximately HKD190,000) was recorded due to unrealised loss of investments at fair value through profit or loss of approximately HKD9,037,000 (2014: Nil).

A wholly-owned subsidiary of Group, Globally Finance Limited ("**Globally Finance**"), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the year ended 31 December 2015, Globally Finance generated revenue with amount of approximately HKD1,174,000 and a profit of approximately HKD1,103,000 was recorded.

Investment property

On 17 August 2015, Sky Eagle Global Limited ("**Sky Eagle**"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Great Well Properties Limited ("**Great Well**") pursuant to which Sky Eagle conditionally agreed to purchase and Great Well conditionally agreed to sell the entire interests in Metro Victor Limited ("**Metro Victor**") for an aggregate consideration of HKD210,000,000 of which HKD110,000,000 was satisfied in cash and the remaining balance of HKD100,000,000 was satisfied by issuing the promissory notes carry interest rate at 2% per annum with a 2 year maturity to Great Well upon completion, Metor Victor is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a very substantial acquisition (the "**VSA**") on the part of the Company under Rule 14.06 of the Listing Rules. The VSA was completed in November 2015. The amount of HKD100,000,000 promissory note was fully settled during the year. For more information on the VSA, please refer to the Company's announcements and circular dated 17 August 2015 and 23 October 2015 respectively.

Metro Victor is currently holding a property located at No. 2 Lincoln Road, Kowloon, Hong Kong. The details of the investment property are as follows:

Location	**Group interest**	**Category of lease**	**Use**
No. 2 Lincoln Road, Kowloon, Hong Kong (New Kowloon Island Lot No. 705)	100%	Medium term	Residential

The Directors considered that the acquisition of Metro Victor represents an investment opportunity to participate in Hong Kong property investment market and the tenancy agreement will provide stable income for the Group.

While the Group has only acquired Metro Victor for a relatively short span of time, it is noted that the property market in Hong Kong has become volatile since completion of the acquisition. With the announcement of increase of interest rate by the United States of America in December 2015, the property market in Hong Kong is subject to uncertainties and becomes volatile in light of the contemplation of increase in interest rate in Hong Kong. The Centa-City Index shows a decrease trend since November 2015 from approximately 141 in November 2015 to approximately 132. As such, the Company entered into the sale and purchase agreement with Gold Mission Limited ("**Gold Mission**") in relation to the disposal of the entire interests in Sky Eagle and all obligations, liabilities and debts owing or incurred by Sky Eagle to the Company on 4 March 2016 (the "**Disposal**") for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 will be satisfied in cash, and the remaining balance of HKD211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion. The Directors are of the view that the Disposal will be a prudent decision to avoid putting all eggs in the same basket. For more information of the Disposal, please refer to the Company's announcement dated 4 March 2016.

The Company considers that the Disposal is an opportunity for the Company to realize its investment in Sky Eagle and Metro Victor. Furthermore, taking into consideration of the gain from the Disposal, the Company considers it can reutilise the proceeds towards other appropriate investment opportunities for better return for its Shareholders.

On 2 February 2016, Skypark Developments Limited ("**Skypark**"), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the Eternal Vantage Investment Limited ("**Vender**") pursuant to which Skypark conditionally agreed to purchase and Eternal Vantage Investment agreed to sell the entire interests in Chinacorp (HK) Investment Limited ("**Chinacorp**") for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 will be satisfied in cash and the remaining balance of HKD85,000,000 shall be satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion. Chinacorp is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a major transaction (the "**Major Transaction**") on the part of the Company under Rule 14 of the Listing Rules. The acquisition is expected to be completed on the fifth business day after the fulfilment (or waiver) of the condition mentioned in the sale and purchase agreement. For more information of the acquisition, please refer to the Company's announcement dated 2 February 2016.

Chinacorp is currently holding a property located at No. 19, Cumberland Road, Kowloon, Hong Kong. Eternal Vantage Investment will deliver the property at vacant possession upon completion. It is the intention of the Group to lease out the property after completion, which will allow the Group to have stable rental income.

During the year ended 31 December 2015, the Group recorded a rental income of approximately HKD450,000 and revaluation gain of approximately HKD6,207,000 arising from change in fair value of investment property from the property investment segment.

Interests in associates – Securities brokerage

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party pursuant to which the Group has agreed to sell 66% equity interests of a wholly owned subsidiary Instant Achieve Limited ("**IAL**"), including its direct wholly owned subsidiary, Central Wealth Securities Investment Limited ("**CWSI**") (collectively referred to "**Instant Achieve Group**") at a consideration of HKD330,000. The disposal was completed on 14 May 2015 and recorded a gain on disposal of subsidiaries of approximately HKD746,000. After the disposal, the Group owns 34% equity interests of Instant Achieve Group.

The Group invested in securities brokerage business in Hong Kong through investment in associates, CWSI and Central Wealth Futures Limited ("**CWF**"). CWSI and CWF are incorporated in Hong Kong with limited liability and are wholly owned by IAL, which in turn is owned as to 34% by the Group as at 31 December 2015. IAL, CWSI and CWF are treated as associated companies of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

After the disposal of abovementioned, Instant Achieve Group recorded a loss of approximately HKD707,000 during the period from 15 May 2015 to 31 December 2015 and the share of loss of associated companies by the Group was approximately HKD240,000.

CWSI has obtained the Stock Exchange Trading Right from the Stock Exchange and licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities.

CWF was established in July 2015. As at the date of this announcement, CWF has obtained the licenses from the Securities and Futures Commission to carry out Type 2 (Dealing in futures contracts) and Type 5 (advising on futures contracts) regulated activities.

The Directors are optimistic to the securities market development in Hong Kong and consider that there will be business prospects in CWSI and CWF. CWSI commences its business in September 2015 and faced substantial funding requirements for its operations. CWSI currently provides brokerage services to its clients for trading in securities listed on the Stock Exchange and margin and IPO financings to its clients and will further expand to other related area in future. On 30 September 2015, Globally Finance granted a loan facility ("**Loan Facility**") with the call option ("**Call Option**") in the amount up to HKD29,000,000 to IAL and increased the principal amount of the Loan Facility to HKD90,000,000 on 27 October 2015 subsequently. As at 31 December 2015, Globally Finance provided HKD80,000,000 of loan to financing IAL. For more information of the Loan Facility and Call Option, please refer to the Company's announcements dated 30 September 2015 and 27 October 2015. The grant of Loan Facility to IAL with the Call Option will allow the Group to have a stake in CWSI and CWF but will also limit the risks of the Group as the Group will be entitled to recover the principal amount of the Loan(s) in the unlikely event that the business of CWSI and CWF would not perform as expected.

The fair value gain arising from the Call Option granted from the shareholder of IAL to a subsidiary of the Company to acquire 66% issued share capital of IAL of approximately HKD5,292,000 was recorded through profit and loss from Call Option during the year ended 31 December 2015.

UPDATE REGARDING THE LATEST DEVELOPMENT OF THE RETAKING CONTROL OF THE DECONSOLIDATED SUBSIDIARIES

The Board wishes to provide an update regarding the latest development of the legal action of the retaking control of the deconsolidation of two subsidiaries the Company since the issuance of the Company's annual report for the year ended 31 December 2014. Reference is made to the annual report of the Company for the years ended 31 December 2013 and 31 December 2014 respectively in relation to deconsolidation of two subsidiaries of the Company, Bloxworth Enterprises Limited ("**Bloxworth**") and Shanxi Zhanpen Metal Products Co., Ltd (山西展鵬金屬製品有限公司) ("**Zhanpen**").

During the year ended 31 December 2015, the Company was still unable to access the books and records of Bloworth and Zhanpen. The Company has engaged a notary public to attest and authenticate the relevant documents for the removal and appointment of directors of Zhanpen for the purpose of litigation. During the second half of the year ended 31 December 2015, the writ of summons and relevant documents had been filed to the People's court of Fenyang county (汾陽市人民法院) (the "**Court**") and a case acceptance notice (受理案件通知書) was received by the Company. The Court had issued a summons (傳票) for a hearing on 2 March 2016. Up to the date of this announcement, the Court not yet issued any judgment.

PROSPECTS

During the year ended 31 December 2015, the management of the Company has directed its resources on exploring opportunities in trading business and related services and treasury business including securities trading and money lending business so as to create long-term value for its shareholders. The Board believes that the business performance of the Group will be further improved.

In respect of the trading business, the Group will continue to explore this trading business in order to diversify the products portfolio.

In respect of the securities trading, the Group is optimistic on the economic growth in China and believes that Hong Kong would also be benefited. Therefore, it is expected that the Group will continue to invest in the Hong Kong equity market by enhancing the use of the surplus working capital and will continue to seek attractive investment opportunities with the aim of deriving dividend income and/or gain from trading of listed securities.

In respect of the money lending business, due to the nature of Hong Kong's loan market, the demand of loan is expected to increase substantially. The Board believes that the money lending business will give the Group an opportunity to obtain a higher return for the fund under the current low interest rate environment and will generate satisfactory revenue for the Group.

The Group is optimistic that the trading business and treasury business (i.e. trading of listed securities and money lending) will have positive gross profit and will generate positive cash flow from operations.

While the recent property market in Hong Kong is subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that there remain investment opportunities existing in the market and the local bank interest rate remains at a relatively low level. The Board will monitor the investment property portfolio of the Group and also the market development and will reallocate resources of the Group in order to maximize the return to the shareholders.

Other than the existing business as named hereinabove which is on an on-going basis, the management will explore other business opportunities to diversify its business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

LIQUIDITY, FINANCIAL, RESOURCES AND FUNDING

During the year ended 31 December 2015, the Group's primary source of funding included cash generated from its operating activities and placing of shares. The Group successfully raised funds of approximately HKD170,560,000 and HKD94,500,000 before expenses from the placing of shares under general mandate completed in July 2015 and October 2015 respectively and funds of approximately HKD121,500,000 before expenses from the placing of shares under specific mandate completed in December 2015.

The Group had total cash and bank balances of approximately HKD98,114,000 as at 31 December 2015 (2014: HKD45,082,000). The Group had total bank borrowings of approximately HKD187,180,000 as at 31 December 2015 which were secured by Metro Victor's property (2014: Nil). The gearing ratio, which is calculated as bank borrowings divided by total equity, was 43.6% (2014: Nil). Net assets were approximately HKD429,215,000 (2014: Net assets HKD63,899,000).

The Group recorded total current assets of approximately HKD230,841,000 as at 31 December 2015 (2014: HKD86,221,000) and total current liabilities of approximately HKD209,787,000 (2014: HKD22,901,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.10 as at 31 December 2015 (2014: 3.76). The decrease in current ratio was mainly due to bank borrowings included in Metro Victor which was acquired by the Group during the year ended 31 December 2015.

The Group's finance costs for the period under review was approximately HKD501,000 (2014: HKD77,000) and was mainly related to interests paid on the bank borrowings and promissory notes.

The Group recorded a net loss attributable to owners of the Company of approximately HKD47,620,000 (2014: profit of HKD2,715,000).

Pledge of Assets

As at 31 December 2015, Metro Victor had pledged its investment property with a carrying amount of HKD403,000,000 to secure against the bank borrowings granted to Metro Victor (2014: Nil).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

(a) Acquisition of Metro Victor

On 17 August 2015, Sky Eagle, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Great Well pursuant to which Sky Eagle conditionally agreed to purchase and Great Well conditionally agreed to sell the entire interests in Metro Victor, a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a VSA on the part of the Company under Rule 14.06 of the Listing Rules. The VSA was completed in November 2015. For more information on the VSA, please refer to the Company's announcements and circular dated 17 August 2015 and 23 October 2015 respectively.

Metro Victor is currently holding a property located at No. 2 Lincoln Road, Kowloon, Hong Kong. The Directors considered that the acquisition of Metro Victor represents an investment opportunity to participate in Hong Kong property investment market and the tenancy agreement will provide stable income for the Group.

(b) Disposal of Boway Enterprises

On 3 November 2015, the Group entered into the Disposal Agreement with Mr. Chen Huaide, the former Chairman and a former executive director of the Company who resigned as Chairman and an executive director of the Company with effect from 24 November 2015, pursuant to which the Group has agreed to sell 100% equity interests of wholly owned subsidiary Boway Enterprises at a consideration of HKD3,300,000. Boway Enterprises is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and wholly owned a subsidiary Guangzhou For You, a company established in the PRC with limited liability. Guangzhou For You is principally engaged in trading business through the one-stop online shopping platform by using the customers' internet connected mobile devices such as smartphones and tablet PCs. This mobile shopping platform can be accessed through the WeChat Public Platform*（微信公眾平台）. The disposal was completed on 31 December 2015 and recorded a gain on disposal of subsidiaries of approximately HKD589,000.

The disposal constituted a major transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. The disposal was approved at the extraordinary general meeting on 23 December 2015 and was completed on 31 December 2015. For detail, please refer to the Company's announcement dated 3 November 2015 and circular dated 8 December 2015.

(c) Disposal of 66% interest in Instant Achieve

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party pursuant to which the Group has agreed to sell 66% equity interests of wholly owned subsidiary IAL, including its direct wholly owned subsidiary, CWSI at a consideration of HKD330,000. The disposal was completed on 14 May 2015 and recorded a gain on disposal of subsidiaries of approximately HKD746,000. After the disposal, the Group owns 34% equity interests of Instant Achieve Group and Instant Achieve Group are treated as associated companies of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

Except for the above, the Group had no other material acquisition or disposal of subsidiaries for the year ended 31 December 2015.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had 11 employees including executive directors of the Company (2014: 26 employees situated in PRC and Hong Kong) situated in Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2015, the total staff costs including remuneration of directors and chief executive amounted to approximately HKD19,633,000 (2014: HKD5,772,000).

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2015 (2014: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company, except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 56,560,000 shares of the Company at a total consideration of HKD17,228,000.

EVENTS AFTER THE END OF REPORTING PERIOD

Save as disclosed in note 15, the Group had no other material events after the reporting period.

SCOPE OF WORK OF ZHONGLEI (HK) CPA COMPANY LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement have been agreed by the Group's auditors, ZHONGLEI (HK) CPA Company Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGLEI (HK) CPA Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGLEI (HK) CPA Company Limited on the preliminary announcement.

CORPORATE GOVERNANCE

The Board is committed to maintain high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of its shareholders and to enhance the performance of the Group.

The Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") during the year ended 31 December 2015 as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separate people and should not be performed by the same individual. Following the resignation of Mr. Chen Huaide, a former chairman of the Company, Mr. Siu Yun Fat has been appointed as the chairman of the Company with effect from 24 November 2015. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Siu Yun Fat from 24 November 2015. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision A.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in article 108A of the Company's articles of association which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. The reason for the deviation is that the Company does not believe that arbitrary limits on term of non-executive directorship are appropriate given that Directors ought to be committed to representing the long time interest of the Company's shareholders and the retirement and re-election requirements of independent non-executive directors have given the Company's shareholders the right to approve continuation of independent non-executive directors' offices.

Code Provision A.6.7 of the CG Code stipulates that non-executive directors, including independent non-executive directors, should attend general meetings. One of the independent non-executive directors, namely Tam Tak Wah was unable to attend the extraordinary general meeting of the Company held on 10 July 2015 (the "**July EGM**") and one of the independent non-executive directors, namely Chan Yee Por Simon, was unable to attend the extraordinary general meeting of the Company held on 23 November 2015 (the "**November EGM**") as they had other business engagements. However, they subsequently requested the company secretary of the Company to report to them on the views of the shareholders of the Company in the July EGM & November EGM respectively. As such, the Board considers that the development of a balanced understanding of the views of shareholders of the Company among the independent non-executive directors was ensured.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code since their appointment as a Director during the year ended 31 December 2015.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2015 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.centralwealth.com.hk. The annual report of the Company for year ended 31 December 2015 containing the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders of the Company in due course.

By order of the Board
Central Wealth Financial Group Limited
Siu Yun Fat
Chairman

Hong Kong, 21 March 2016

As of the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Yang Yang and Mr. Yu Qingrui; and (ii) three independent non-executive Directors, namely Mr. Chan Yee Por, Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.

* *For identification purpose only*