



Interactive Entertainment China Cultural Technology Investments Limited

互娛中國文化科技投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8081)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company's website at <http://www.iechina.com.hk>.

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby submits the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2015, together with the comparative audited figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Continuing operations			
Revenue	3	257,853	191,317
Cost of inventories sold/services		(70,152)	(29,169)
Other gains and losses	4	42,480	(673)
Other revenue and income	3	1,456	1,392
Employee benefits expenses		(118,414)	(100,677)
Depreciation		(19,840)	(23,430)
Other operating expenses		(74,459)	(51,212)
Gain on disposals of subsidiaries		–	1,131
Gain on a bargain purchase of subsidiaries		32,783	–
Impairment loss on available-for-sale investments		(20,248)	(23,120)
Share of results of associates		32,556	8,050
Finance costs		(8,704)	(1,549)
		<hr/>	<hr/>
Profit/(loss) before income tax	5	55,311	(27,940)
Income tax (expense)/credit	6	(423)	1,505
		<hr/>	<hr/>
		54,888	(26,435)
Discontinued operation			
Profit for the year from a discontinued operation	7	27,075	1,855
		<hr/>	<hr/>
Profit/(loss) for the year		81,963	(24,580)

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:–			
Exchange differences arising on translation of:			
– Financial statements of overseas subsidiaries		(2,547)	(5)
– Financial statements of overseas associates		(1,920)	(147)
Reclassification of translation reserve upon disposal of a subsidiary			
		12	(5)
Fair value loss on available-for-sale investments		(4,066)	(23,120)
Impairment loss of available-for-sale investments		20,248	23,120
		<u>11,727</u>	<u>(157)</u>
Other comprehensive income/(loss) for the year		<u>11,727</u>	<u>(157)</u>
Total comprehensive income/(loss) for the year		<u>93,690</u>	<u>(24,737)</u>
Profit/(loss) for the year attributable to:–			
Shareholders of the Company		63,951	(26,189)
Non-controlling interests		18,012	1,609
		<u>81,963</u>	<u>(24,580)</u>
Total comprehensive income/(loss) for the year attributable to:–			
Shareholders of the Company		77,107	(26,345)
Non-controlling interests		16,583	1,608
		<u>93,690</u>	<u>(24,737)</u>
Earnings/(loss) per share			
Basic (<i>HK\$</i>)			
– For profit/(loss) for the year	9	<u>0.16</u>	<u>(0.14)</u>
– For profit/(loss) from continuing operations	9	<u>0.12</u>	<u>(0.15)</u>
Diluted (<i>HK\$</i>)			
– For profit/(loss) for the year	9	<u>0.16</u>	<u>(0.14)</u>
– For profit/(loss) from continuing operations	9	<u>0.12</u>	<u>(0.15)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		104,597	23,453
Goodwill		29,167	–
Investments in associates		301,192	229,233
Available-for-sale investments	<i>10</i>	102,858	19,135
Deposits paid for acquisition of investment properties		23,455	–
Deferred tax assets		3,042	2,887
		564,311	274,708
CURRENT ASSETS			
Inventories		4,432	1,961
Amounts due from contract customers		13,855	–
Debtors, deposits and prepayments	<i>11</i>	198,756	47,181
Financial assets at fair value through profit or loss	<i>12</i>	327,503	773
Income tax recoverable		121	5
Pledged time deposit		13,000	–
Cash and bank balances		78,587	53,527
		636,254	103,447
Assets of a disposal group classified as held for sale	<i>7</i>	91,729	–
		727,983	103,447
DEDUCT:			
CURRENT LIABILITIES			
Creditors, accruals and other payables	<i>13</i>	72,340	30,892
Amounts due to non-controlling shareholders of subsidiaries		17,617	–
Short-term borrowings		153,998	15,000
Note payable	<i>14</i>	149,396	–
Income tax payable		1,377	572
		394,728	46,464
Liabilities of a disposal group classified as held for sale	<i>7</i>	39,345	–
		434,073	46,464
NET CURRENT ASSETS		293,910	56,983
TOTAL ASSETS LESS CURRENT LIABILITIES		858,221	331,691

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
NON-CURRENT LIABILITY			
Deferred tax liabilities		<u>4,217</u>	<u>10</u>
		<u>4,217</u>	<u>10</u>
NET ASSETS			
		<u>854,004</u>	<u>331,681</u>
CAPITAL AND RESERVES			
Share capital	<i>15</i>	6,841	24,961
Reserves		<u>812,849</u>	<u>301,051</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
		819,690	326,012
NON-CONTROLLING INTERESTS			
		<u>34,314</u>	<u>5,669</u>
TOTAL EQUITY			
		<u>854,004</u>	<u>331,681</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to shareholders of the Company										Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reduction reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Investment revaluation reserve HK\$'000	(Accumulated losses)/retained earnings HK\$'000	Total HK\$'000		
At 1.1.2014	93,086	143,717	-	-	-	-	-	-	(74,892)	161,911	831	162,742
Shares issued	103,366	88,157	-	-	-	-	-	-	-	191,523	-	191,523
Share issuing expenses	-	(5,858)	-	-	-	-	-	-	-	(5,858)	-	(5,858)
Capital reduction	(171,491)	-	-	81,470	-	-	-	-	90,021	-	-	-
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(120)	(120)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	588	588
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	4	4
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(5)	(5)
Change in ownership interest in a subsidiary that do not result in a loss of control	-	-	-	-	-	-	(63)	-	-	(63)	2,763	2,700
Share-based payments	-	-	-	-	4,844	-	-	-	-	4,844	-	4,844
Loss and total comprehensive loss for the year	-	-	-	-	-	(156)	-	-	(26,189)	(26,345)	1,608	(24,737)
At 31.12.2014 and 1.1.2015	24,961	226,016	-	81,470	4,844	(156)	(63)	-	(11,060)	326,012	5,669	331,681
Shares issued	43,452	377,651	-	-	-	-	-	-	-	421,103	-	421,103
Share issuing expenses	-	(15,978)	-	-	-	-	-	-	-	(15,978)	-	(15,978)
Capital reduction and transfer to contributed surplus	(61,572)	(587,689)	701,518	(81,470)	-	-	-	-	29,213	-	-	-
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(1,620)	(1,620)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	241	241
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	486	486
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	114	114
Change in ownership interest in a subsidiary that do not result in a loss of control	-	-	-	-	-	-	(1,110)	-	-	(1,110)	12,841	11,731
Share-based payments	-	-	-	-	12,556	-	-	-	-	12,556	-	12,556
Profit and total comprehensive income for the year	-	-	-	-	-	(3,026)	-	16,182	63,951	77,107	16,583	93,690
At 31.12.2015	6,841	-	701,518	-	17,400	(3,182)	(1,173)	16,182	82,104	819,690	34,314	854,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

The Company was a limited liability Company incorporated in the Cayman Islands on 29 March 2000. On 1 December 2015 (Hong Kong time), the domicile of the Company was changed from the Cayman Islands to Bermuda by way of deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The implementation of the change of domicile will not affect the continuity of the Company and its listing status.

2. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as “**Hong Kong Financial Reporting Standards**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

(b) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:–

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual improvements (2010 – 2012)	Amendments to HKFRS 8, HKAS 16, HKAS 24 and HKAS 38
Annual improvements (2011 – 2013)	Amendments to HKFRS 3, HKFRS 13 and HKAS 40

The initial application of these financial reporting standards does not necessitate material changes in the Group’s accounting policies and retrospective adjustments of the comparatives presented in the consolidated financial statements.

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 December 2015 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2015:-

HKFRS 9 (2014)	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKAS 28, HKFRS 10 and HKFRS 12	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Annual Improvements (2012-2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The Group is required to initially apply these standards and amendments in its annual consolidated financial statements beginning on 1 January 2016, except that the Group is required to initially apply HKFRS 15 and HKFRS 9 (2014) in its annual consolidated financial statements beginning on 1 January 2018. HKFRS 14 is not applicable to the Group.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are (i) mobile internet cultural business and provision of IT services; (ii) provision of medical diagnostic and health check services; (iii) provision of hospitality and related services in Australia; (iv) money lending business; and (v) assets investments business; The Group's provision of integral marketing services was regarded as a discontinued operation.

Revenue represents the aggregate of the net amounts received and receivable from third parties for the year. An analysis of the Group's revenue from continuing operations is as follows:–

	2015	2014
	HK\$'000	HK\$'000
Revenue		
Income from mobile internet cultural business and provision of IT services	50,685	3,137
Income from provision of medical diagnostic and health check services	202,990	188,049
Income from provision of hospitality and related services in Australia	2,688	–
Loans interest and related income	1,384	131
Dividends from listed equity investments	106	–
Total	257,853	191,317
Other revenue		
Interest income	13	162
	257,866	191,479

During the year ended 31 December 2015, there is one (2014: Nil) customer with whom transactions have exceeded 10% of the Group's revenue from continuing operations amounting to approximately HK\$41,094,000 arose in the People's Republic of China (the "PRC").

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Mobile internet cultural business and provision of IT services;
- Provision of medical diagnostic and health check services;
- Provision of hospitality and related services in Australia;
- Money lending business; and
- Assets investments business.

The Group's provision of integral marketing services was regarded as a discontinued operation (*Note 7*).

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following basis:–

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Assets and liabilities are allocated to the reportable segments excluding unallocated corporate assets and liabilities.

The measure used for reporting segment profit is "adjusted EBIT", i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as including investment income. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments.

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below:–

(i) Segment results from continuing operations

2015	Mobile internet cultural business and provision of IT services <i>HK\$'000</i>	Provision of medical diagnostic and health check services <i>HK\$'000</i>	Provision of hospitality and related services in Australia <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Assets investments business <i>HK\$'000</i>	Total for continuing operations <i>HK\$'000</i>
REVENUE						
External customers	50,685	202,990	2,688	1,384	106	257,853
RESULTS						
Segment profit/(loss)	15,105	15,313	(133)	(6)	22,452	52,731
Unallocated head office and corporate income and expenses						(21,512)
Interest income						13
Gain on a bargain purchase of subsidiaries						32,783
Finance costs						(8,704)
Profit before income tax						55,311

2015	Mobile internet cultural business and provision of IT services <i>HK\$'000</i>	Provision of medical diagnostic and health check services <i>HK\$'000</i>	Provision of hospitality and related services in Australia <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Assets investments business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total for continuing operations <i>HK\$'000</i>
Amounts included in the measure of segment results from continuing operations:							
Depreciation	(356)	(19,176)	(165)	(19)	(25)	(99)	(19,840)
Share of results of associates	29,237	(20)	–	–	3,339	–	32,556
Gain on disposals of subsidiaries	–	–	–	–	–	–	–
Unrealised gain on financial assets at fair value through profit or loss	–	–	–	–	55,911	–	55,911
Realised loss on financial assets at fair value through profit or loss	–	–	–	–	(5,090)	–	(5,090)
Impairment loss on available-for-sale investments	–	–	–	–	(20,248)	–	(20,248)

2014	Mobile internet cultural business and provision of IT services <i>HK\$'000</i>	Provision of medical diagnostic and health check services <i>HK\$'000</i>	Provision of hospitality and related services in Australia <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Assets investments business <i>HK\$'000</i>	Total for continuing operations <i>HK\$'000</i>
REVENUE						
External customers	3,137	188,049	–	131	–	191,317
RESULTS						
Segment profit/(loss)	4,356	7,429	–	(154)	(21,371)	(9,740)
Unallocated head office and corporate income and expenses						(16,813)
Interest income						162
Finance costs						(1,549)
Loss before income tax						(27,940)

2014	Mobile internet cultural business and provision of IT services <i>HK\$'000</i>	Provision of medical diagnostic and health check services <i>HK\$'000</i>	Provision of hospitality and related services in Australia <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Assets investments business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total for continuing operations <i>HK\$'000</i>
Amounts included in the measure of segment results from continuing operations:							
Depreciation	(117)	(23,155)	–	(43)	–	(115)	(23,430)
Share of results of associates	5,586	365	–	–	2,099	–	8,050
Gain on disposals of subsidiaries	973	–	–	60	–	98	1,131
Unrealised loss on financial assets at fair value through profit or loss	–	–	–	–	(225)	–	(225)
Realised loss on financial assets at fair value through profit or loss	–	–	–	–	(93)	–	(93)
Impairment loss on available-for-sale investments	–	–	–	–	(23,120)	–	(23,120)

(ii) Segment assets and liabilities

2015	Mobile internet cultural business and provision of IT services HK\$'000	Provision of medical diagnostic and health check services HK\$'000	Provision of hospitality and related services in Australia HK\$'000	Money lending business HK\$'000	Assets investments business HK\$'000	Reportable segments total HK\$'000	Discontinued operation HK\$'000	Unallocated HK\$'000	Total HK\$'000
ASSETS	426,054	94,410	106,528	49,990	475,557	1,152,539	91,729	48,026	1,292,294
LIABILITIES	52,695	30,957	6,618	96	155,562	245,928	39,345	153,017	438,290

2015	Mobile internet cultural business and provision of IT services HK\$'000	Provision of medical diagnostic and health check services HK\$'000	Provision of hospitality and related services in Australia HK\$'000	Money lending business HK\$'000	Assets investments business HK\$'000	Reportable segments total HK\$'000
ASSETS	426,054	94,410	106,528	49,990	475,557	1,152,539
LIABILITIES	52,695	30,957	6,618	96	155,562	245,928

Amounts included in the measure of segment assets:

Investments in associates	292,993	–	–	–	8,199	301,192
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Amounts regularly provided to the chief operating decision maker:

Additions to property, plant and equipment	993	11,070	279	386	300	13,028
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Additions to investments in associates	52,178	–	–	–	–	52,178
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2014	Mobile internet cultural business and provision of IT services HK\$'000	Provision of medical diagnostic and health check services HK\$'000	Provision of hospitality and related services in Australia HK\$'000	Money lending business HK\$'000	Assets investments business HK\$'000	Reportable segments total HK\$'000	Discontinued operation HK\$'000	Unallocated HK\$'000	Total HK\$'000
ASSETS	232,764	78,357	–	75	24,768	335,964	16,273	25,918	378,155
LIABILITIES	284	14,299	–	–	–	14,583	13,823	18,068	46,474

2014	Mobile internet cultural business and provision of IT services HK\$'000	Provision of medical diagnostic and health check services HK\$'000	Provision of hospitality and related services in Australia HK\$'000	Money lending business HK\$'000	Assets investments business HK\$'000	Reportable segments total HK\$'000
ASSETS	232,764	78,357	–	75	24,768	335,964
LIABILITIES	284	14,299	–	–	–	14,583

Amounts included in the measure of segment assets:

Investments in associates	222,967	1,407	–	–	4,859	229,233
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Amounts regularly provided to the chief operating decision maker:

Additions to property, plant and equipment	258	11,510	–	62	–	11,830
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Additions to investments in associates	221,837	–	–	–	2,761	224,598
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(iii) Geographical information

The Group's operations are mainly located in Hong Kong, the PRC and Australia. The following table sets out information about (i) the Group's revenue from external customers from continuing operations; and (ii) the geographical location of the Group's non-current assets (excluding available-for-sale investments, deferred tax assets and those relating to a discontinued operation) ("specified non-current assets"), based the place of domicile of the relevant group entity.

	Revenue from		Specified	
	external customers		non-current assets	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	205,830	191,317	61,336	29,687
The PRC	49,335	–	296,587	222,999
Australia	2,688	–	100,488	–
	<u>257,853</u>	<u>191,317</u>	<u>458,411</u>	<u>252,686</u>

4. OTHER GAINS AND LOSSES

	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
(Reversal of)/compensation income arising from		
profit guarantee realisation	(4,801)	4,801
Impairment loss on interest in an associate	(3,469)	(4,309)
Loss on disposal/written off of property, plant and equipment	(71)	(847)
Unrealised gain/(loss) on financial assets at		
fair value through profit or loss	55,911	(225)
Realised loss on financial assets at fair value		
through profit or loss	<u>(5,090)</u>	<u>(93)</u>
	<u>42,480</u>	<u>(673)</u>

5. PROFIT/(LOSS) BEFORE INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Continuing operations		
Profit/(loss) before income tax is arrived at after charging/(crediting):–		
Cost of inventories expensed	30,603	27,644
Auditors' remuneration		
– audit services	1,186	627
– other services	587	50
	1,773	677
Depreciation	19,840	23,430
Directors' remuneration	12,050	5,166
Staff costs, excluding directors' emoluments		
Other staff salaries and benefits	98,423	90,750
Retirement scheme contributions	2,913	2,372
Share based payments	5,028	2,389
	106,364	95,511
Net exchange loss	54	3
Finance costs		
– Interest on short-term borrowings wholly repayable within five years	4,808	1,549
– Effective interest expense on note payable	3,896	–
	8,704	1,549
Minimum lease payments paid under operating leases	16,818	13,032
Rental income from investment properties less direct outgoings of HK\$18,000	–	(707)

6. INCOME TAX EXPENSE/(CREDIT)

The income tax expense/(credit) represents the sum of the current tax and deferred tax and is made up as follows:–

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Continuing operations		
Provision for Hong Kong Profits Tax		
Current year	786	181
Over-provision in respect of previous year	<u>(160)</u>	<u>(10)</u>
	----- 626	----- 171
Deferred taxation		
Current year	<u>(203)</u>	<u>(1,676)</u>
	----- 423	----- (1,505)
Discontinued operation		
Provision for PRC Enterprise Income Tax		
Current year	<u>8,949</u>	<u>618</u>
Income tax expense/(credit)	<u><u>9,372</u></u>	<u><u>(887)</u></u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the net estimated assessable profits for the year. The Group's subsidiaries operating in the PRC and Australia are subject to the tax rates at 15% or 25% and 30% respectively.

7. DISCONTINUED OPERATION

On 7 December 2015, the Group and LEO Group Co., Ltd. (“**LEO**”) entered into a sale and purchase agreement (“**SP Agreement**”), pursuant to which LEO agreed to acquire and the Group agreed to sell its 51.46% equity interest of Shanghai Zhiqu Advertisement Co., Ltd. (“**Zhiqu**”) at a total consideration of RMB237,010,000 (equivalent to approximately HK\$286,782,000) (“**Zhiqu Disposal**”). Upon completion of the Zhiqu Disposal, Zhiqu will cease to be a subsidiary of the Group. The SP Agreement and the transaction contemplated thereunder were approved at the extraordinary general meeting of the Company held on 29 February 2016. Details of the Zhiqu Disposal are set out in the Company's announcement dated 8 December 2015 and the Company's circular dated 11 February 2016.

Following disposal of the entire equity interest of the Group in Cannes Films Cultural Investment Limited (“**Cannes Films**”), details of which are set out in the announcement of the Company dated 21 December 2015 and, subject to completion of the Zhiqiu Disposal, the Group will no longer to continue to carry on business in provision of integral marketing services.

The results from a discontinued operation for the year are as follows:–

	2015	2014
	HK\$'000	HK\$'000
Revenue	376,158	45,653
Cost of services	(330,864)	(42,321)
Other revenue and income	1,477	109
Depreciation	(238)	(1)
Employee benefits expenses	(7,374)	(699)
Other operating expenses	(3,128)	(268)
Share of results of an associate	(384)	–
Finance costs	(226)	–
	<hr/>	<hr/>
Profit before income tax	35,421	2,473
Income tax expense	(8,949)	(618)
	<hr/>	<hr/>
	26,472	1,855
Gain on disposal of an operation - Note	603	–
	<hr/>	<hr/>
Profit for the year from a discontinued operation	27,075	1,855
	<hr/> <hr/>	<hr/> <hr/>
Profit for the year from a discontinued operation attributable to :-		
Shareholders of the Company	13,915	946
Non-controlling interests	13,160	909
	<hr/>	<hr/>
	27,075	1,855
	<hr/> <hr/>	<hr/> <hr/>

Note:–

The amount represented the gain on disposal of the entire equity interest of the Group in Cannes Films including release of translation reserve of approximately HK\$12,000 from equity to profit or loss on disposal.

The net cash flows incurred by a discontinued operation for the year are as follows:–

	2015	2014
	HK\$'000	<i>HK\$'000</i>
Cash flows from a discontinued operation		
Net cash (used in)/generated from operating activities	(18,332)	8,882
Net cash used in investing activities	528	2,109
Net cash generated from financing activities	(314)	–
Net cash inflow	(18,118)	10,991

The assets and liabilities of a discontinued operation classified as held for sale as at 31 December 2015 are as follows:–

	2015	2014
	HK\$'000	<i>HK\$'000</i>
Property, plant and equipment	91	–
Debtors and deposits	76,526	–
Cash and bank balances	15,112	–
Assets of a disposal group classified as held for sale	91,729	–
Creditors, accruals and other payables	36,709	–
Income tax payable	2,636	–
Liabilities of a disposal group classified as held for sale	39,345	–

8. DIVIDENDS

No dividend was paid during the year ended 31 December 2015 (2014: Nil).

The Board proposed a 2015 final dividend (2014: Nil) by way of bonus issue (“**Bonus Issue**”) of shares on the basis of two new Shares (“**Bonus Shares**”) for every ten existing Shares held by the shareholders of the Company whose names appear on the register of members of the Company on Monday, 16 May 2016. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount standing to the credit of the contributed surplus account of the Company.

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share for the year is based on the following data:-

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
From continuing and discontinued operations		
Earnings/(loss) :		
Profit/(loss) for the year attributable to shareholders of the Company	<u>63,951</u>	<u>(26,189)</u>
	2015	2014 (Restated) <i>(Note 9(a))</i>
Number of shares :		
Weighted average number of ordinary shares in issue for the purpose of calculation of basic earnings/(loss) per share	406,763,906	183,280,524
Effect of diluted potential ordinary shares as a result of the share options granted <i>(Note 9(b))</i>	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares in issue for the purpose of calculation of diluted earnings/(loss) per share	<u>406,763,906</u>	<u>183,280,524</u>

Notes:-

- (a) The weighted average number of ordinary shares in issue for the year ended 31 December 2014 for the purpose of calculation of basic and diluted loss per share has been adjusted and restated upon share consolidation becoming effective on 22 December 2015.
- (b) The computation of diluted earnings/(loss) per share for both years does not assume the conversion of the Company's outstanding share options because the adjusted exercise price of those share options are higher than the average market price of the shares for the year ended 31 December 2015 while the exercise of those share options would result a reduction in loss per share for the year ended 31 December 2014, which are both regarded as anti-dilutive.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
From continuing operations		
Earnings/(loss):		
Profit/(loss) for the year attributable to shareholders of the Company	63,951	(26,189)
<i>Less:</i> Profit for the year from a discontinued operation attributable to shareholders of the Company	<u>(13,915)</u>	<u>(946)</u>
Profit/(loss) for the year from continuing operations for the purpose of calculation of basic and diluted earnings/(loss) per share	<u><u>50,036</u></u>	<u><u>(27,135)</u></u>

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
From a discontinued operation		
Earnings:		
Profit for the year from a discontinued operation attributable to shareholders of the Company	<u><u>13,915</u></u>	<u><u>946</u></u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

	2015	2014
From a discontinued operation		
Earnings per share:		
– Basic (<i>HK\$</i>)	<u><u>0.03</u></u>	<u><u>0.01</u></u>
– Diluted (<i>HK\$</i>)	<u><u>0.03</u></u>	<u><u>0.01</u></u>

10. AVAILABLE-FOR-SALE INVESTMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Listed shares in Hong Kong, at fair value	85,358	19,135
Unlisted equity investments, at fair value	<u>17,500</u>	<u>–</u>
	<u>102,858</u>	<u>19,135</u>

Note:–

During the year ended 31 December 2015, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$4,066,000 (2014: HK\$23,120,000), of which HK\$20,248,000 (2014: HK\$23,120,000) was reclassified from other comprehensive income to the statement of profit or loss for the year.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade debtors	126,543	26,349
<i>Less:</i> Provision for impairment loss	<u>(45)</u>	<u>(45)</u>
	126,498	26,304
Loans and loans interest receivables	41,124	–
Deposits	13,944	11,849
Other debtors and prepayments	<u>17,190</u>	<u>9,028</u>
	<u>198,756</u>	<u>47,181</u>

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associate with trade debtors, credit evaluations of customers are performed periodically. The credit period given to trade debtors ranged from 30 days to 180 days. The aging analysis of trade debtors as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:–

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	111,179	11,542
1 to 2 months	8,470	7,176
2 to 3 months	3,723	3,715
Over 3 months	3,126	3,871
	<u>126,498</u>	<u>26,304</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Listed shares in Hong Kong, at fair value	<u>327,503</u>	<u>773</u>

At 31 December 2015, the carrying amount of the Group's investment in of the following companies exceeded 10% of the total assets of the Group:

Name	Place of incorporation	Principal activity	Particulars of issued shares held	Interest held
Convoy Financial Holdings Limited	Cayman Islands	Investment holding	Ordinary share listed on the Main Board of the Stock Exchange	5.02%

13. CREDITORS, ACCRUALS AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade creditors	4,391	7,387
Accruals and other payables	63,525	22,334
Deposits received	4,021	1,171
Deferred income	403	–
	<u>72,340</u>	<u>30,892</u>

The following is an aging analysis of trade creditors based on the invoice date of the Group as at the end of the reporting period:–

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 3 months	4,050	6,916
Over 3 months	341	471
	<u>4,391</u>	<u>7,387</u>

14. NOTE PAYABLE

On 13 October 2015, the Group issued an unsecured loan note which carrying interest at 9% per annum (the “**Loan Note**”) in an aggregate principal amount of HK\$150,000,000, maturing on the first anniversary of the issue date of the Loan Note at the placing price equal to 100% of the principal amount of the Loan Note to an independent third party. The effective interest rate of the Loan Note is 12.37% per annum. The movement of the note payable during the year is set out below:–

	<i>HK\$'000</i>
At 1.1.2015	–
Proceeds from issue, net of transaction cost incurred	145,500
Interest charge	<u>3,896</u>
At 31.12.2015	<u>149,396</u>

15. SHARE CAPITAL

	<i>Notes</i>	Number of shares	<i>HK\$'000</i>
Authorised:–			
Ordinary shares of HK\$0.10 each at 1.1.2014		1,000,000,000	100,000
Increase in authorised share capital on 14.1.2014		1,000,000,000	100,000
Shares sub-division on 11.7.2014		<u>18,000,000,000</u>	<u>–</u>
Ordinary shares of HK\$0.01 each at 31.12.2014, 1.1.2015 and 31.12.2015		<u>20,000,000,000</u>	<u>200,000</u>
Issued and fully paid:–			
Ordinary shares of HK\$0.10 each at 1.1.2014		930,857,620	93,086
Issue of shares through placing		190,000,000	19,000
Rights issue		560,428,810	56,043
Issue of shares		224,166,000	22,416
Effect of capital reduction and shares sub-division		–	(171,491)
Issue of shares through placing		209,592,000	2,096
Issue of shares		<u>381,078,000</u>	<u>3,811</u>
Ordinary shares of HK\$0.01 each at 31.12.2014 and 1.1.2015		2,496,122,430	24,961
Issue of shares through placing	<i>(i)</i>	171,486,000	1,715
Issue of shares through placing	<i>(ii)</i>	533,520,000	5,335
Issue of shares through placing	<i>(iii)</i>	2,500,002,000	25,000
Issue of shares through placing	<i>(iv)</i>	1,140,210,000	11,402
Capital reorganisation	<i>(v)</i>	<u>(6,157,206,387)</u>	<u>(61,572)</u>
Ordinary shares of HK\$0.01 each at 31.12.2015		<u>684,134,043</u>	<u>6,841</u>

Notes:–

- (i) On 12 May 2015, a total of 171,486,000 new shares of the Company were issued at a placing price of HK\$0.151 each.
- (ii) On 5 June 2015, a total of 533,520,000 new shares of the Company were issued at a placing price of HK\$0.176 each.
- (iii) On 21 August 2015, a total of 2,500,002,000 new shares of the Company were issued at a placing price of HK\$0.1 each.
- (iv) On 15 October 2015, a total of 1,140,210,000 new shares of the Company were issued at a placing price of HK\$0.045 each.
- (v) The Company implemented the capital reorganisation (“**Capital Reorganisation**”) after the change of domicile becoming effective which involves the following:–
 - (1) every ten issued and unissued existing shares of HK\$0.01 each was consolidated into one share of HK\$0.10 (“**Consolidated Share**”) (“**Share Consolidation**”) and where applicable, the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation was rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation;
 - (2) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share was reduced from HK\$0.10 to HK\$0.01 (“**Capital Reduction**”);
 - (3) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.10 each was sub-divided into ten new shares of HK\$0.01 each; and
 - (4) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation; and (ii) the Capital Reduction was credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

BUSINESS AND FINANCIAL REVIEW

For the year ended 31 December 2015, the principal activities of the Group were (i) mobile internet cultural business and provision of IT services; (ii) provision of integral marketing services; (iii) provision of medical diagnostic and health check services; (iv) provision of hospitality and related services in Australia; (v) money lending business; and (vi) assets investments business.

For the year ended 31 December 2015, the Group recorded a revenue (including continuing and discontinued operations) of approximately HK\$634,011,000 (2014: HK\$236,970,000), representing an increase of approximately 168%. The net profit (including continuing and discontinued operations) attributable to the shareholders of the Company (“**Shareholders**”) was approximately HK\$63,951,000 for the year under review, as compared to the net loss attributable to the Shareholders in 2014 of approximately HK\$26,189,000. The increase was mainly attributable to (a) the increase in share of profits of Mighty Eight Investments Limited (“**Mighty Eight**”), its subsidiaries and controlled companies (“**Mighty Eight Group**”), which became an associate of the Company in September 2014; (b) the increase in net profit recorded by the Group’s health check business for the year ended 31 December 2015 as compared to the corresponding period in 2014; (c) the increase in net profit recorded from the Group’s business of provision of integrated digital marketing services since the Group’s capital injection in Zhiqu, which became a subsidiary of the Company in September 2014; (d) the gain on bargain purchase of approximately HK\$32,783,000 for the acquisition of the entire issued share capital of EPRO (BVI) Limited (“**EPRO BVI**”, together with its subsidiaries, “**EPRO BVI Group**”) which was completed on 31 August 2015; (e) profit attributable to the gain on financial assets at fair value through profit or loss of approximately HK\$50,821,000 for the year ended 31 December 2015; and (f) the decrease in fair value loss on available-for-sale investments from approximately HK\$23,120,000 for the year ended 31 December 2014 to approximately HK\$4,066,000 for the year ended 31 December 2015.

Mobile internet cultural business and provision of IT services

To realise the Group’s pan-entertainment strategy and the trend of “mobile internet+” industry, the Group has gradually expanded its focus from mobile-online games to encompass industries in the areas of cultural lifestyle of mobile internet, including mobile-online children education, mobile-games, O2O interactive entertainment and other mobile internet’s cultural lifestyle related business and taken the mobile internet as part of its business development strategy.

1. “Mobile internet +” and IT business – development of education platform

The Group aims to explore the “mobile internet+” industry and one of the current focus areas is developing and building an online children education platform. On 5 March 2015, the Group entered into a cooperation agreement with 上海賽果文化傳播有限公司 (Shanghai Saiguo Cultural Media Limited*) (“**Shanghai Saiguo**”) to undertake a knowledge quizzes competition among the students in China, pursuant to which the Group is responsible for, among others, the design, development and production of the web version and mobile application of the program namely “我是小小中國通” (I Am Little Chinese Hand*) to be used in the activity and maintaining the system and server of the program, together with online to offline coordination in the activity. Such program has already been launched on the web and mobile system “Android” in May 2015 and “iOS” platform in July 2015. A new application “十萬零一個為什麼” (One Hundred Thousand and One Questions*) was under development by the Group during the year under review. Such application includes knowledge quizzes in different aspects such as sinology, astronomy, geography, intangible cultural heritage, folkways, English, technology and animations.

2. Provision of professional IT contract and maintenance services

To bring supports to the Group to implement its “mobile internet+” business strategy, on 21 April 2015, the Group entered into a conditional sale and purchase agreement to acquire the entire issued share capital of EPRO BVI at a total consideration of HK\$60,264,000 (“**EPRO BVI Acquisition**”). Completion of the EPRO BVI Acquisition took place on 31 August 2015 and a gain on bargain purchase for the EPRO BVI Acquisition of approximately HK\$32,783,000 was recorded by the Company. EPRO BVI became a wholly-owned subsidiary of the Company since then.

EPRO BVI Group is principally engaged in provision of professional information technology contract and maintenance services in China and Hong Kong and is a CMMi5 accessed information technology and software outsourcing provider that tailor-made professional IT solutions for sizable corporate clients and government departments. Its core businesses include enterprise software applications and platform development outsourcing services, mobile internet applications and platform development outsourcing services, mainframe downsizing, application localization and systems integration.

* English translated name is for identification only

The EPRO BVI Acquisition will enable the Group to acquire a greater technical support in replenishing the Group's overall strength in research and development of internet technology platform to develop the mobile internet cultural industry business, by bringing in EPRO BVI Group's supports on technical know-how and seasoned management team in provision of tailor-made professional IT solutions and customized software development services in the People's Republic of China (the "PRC"). During the year under review, EPRO BVI Group recorded a revenue of approximately HK\$50,685,000 and profit before taxation of approximately HK\$1,199,000. The Directors are reviewing the operations of EPRO BVI Group to formulate a long term development plan.

3. *Mobile-online game business*

In 2014 and 2015, the Group acquired an aggregate of 28.8% issued has share capital of Mighty Eight ("**Mighty Eight Acquisitions**"). Since September 2014, Mighty Eight become an associate of the Company. During the year under review, there is an increase in share of profits of Mighty Eight from approximately HK\$6,573,000 for the year ended 31 December 2014 to approximately HK\$29,618,000 for the year ended 31 December 2015.

During the year under review, Mighty Eight developed and launched another new mobile-online game, namely "NBA Heroes" (NBA英雄, also known as 美職籃英雄), integrating traditional Chinese historical themes and elements from "SanGuo" to modern western style NBA basketball sports game, with intellectual property rights officially licensed by the NBA (National Basketball Association). NBA Heroes had been awarded the "Most Anticipated Sports Game of the Year" in the Second International Mobile Game Forum in 2014. NBA Heroes had been ranked among one of the top 5 downloaded sports games and top 10 sports games in terms of gross billing respectively on the App Store in the PRC.

Medical Diagnostic and Health Check Services

The Group had offered a wide spectrum of quality healthcare services to the general public in Hong Kong through the nine health check centres, two testing laboratories and a laboratory for manufacturing of PET Radiopharmaceuticals operated by Luck Key Investment Limited (“**Luck Key**”) and its subsidiaries, “**Luck Key Group**”). During the period under review, revenue from the health check business amounted to approximately HK\$202,990,000 (2014: HK\$188,049,000), representing approximately 7.9% growth, and a segment profit of HK\$15,313,000 (2014: HK\$7,429,000) was recorded.

On 27 February 2015, Luck Key acquired 70% issued share capital of Ever Full Harvest Limited (“**Ever Full**”) and a shareholder’s loan at the aggregate consideration of HK\$11,882,000, which was satisfied by the allotment and issue of consideration shares by Luck Key. The Group’s interest in Luck Key has reduced from approximately 90.1% to approximately 65% since then.

Ever Full’s subsidiary i.e. Hong Kong Cyclotron Laboratories Limited is principally engaged in the manufacturing of PET Radiopharmaceuticals for medical use and is the major supplier of raw materials (including 18F-FDG) of Luck Key Group. The acquisition of Ever Full by Luck Key Group allowed the supply of 18F-FDG to Luck Key Group be assured, maintained and coordinated in a more efficient and effective manner, taking into account the demand for the products of Ever Full and its subsidiaries by other members of Luck Key Group and as such will enhance operational efficiency of the Group’s health check business. With reference to the financial performance of the health check business in 2015, the Board is optimistic about the prospects of its health check business and expects that its health check business will continue to generate stable revenue and cash flows to the Group.

Hospitality and Related Services in Australia

In order to diversify the Group's business, the Group acquired two granges in Australia which offer winery accommodation and conference centres services, including certain associated land, surrounding or adjacent farmland, and the related businesses (i.e. the accommodation facility business, and all assets used in connection with that business and the assignment of operating licence) at the consideration of AUD17,000,000 in November 2015. The Lancefield property includes a piece of freehold land of approximately 403,100 square metres located at Lancefield, Victoria, Australia and the building erected on such land, which is an established hotel, restaurant, vineyard and conference facility which basically includes fifty-two accommodation rooms, five conference rooms, four guest lounges and 'various breakout rooms'. The Hepburn Springs property includes a piece of freehold land of approximately 9,713 square metres located at Hepburn Springs, Victoria, Australia and the building erected on such land, which is an established hotel, restaurant and conference facility split over three levels which basically includes forty-three accommodation rooms plus four conference rooms.

During the year under review, the Group recorded revenue of approximately HK\$2,688,000 (2014: Nil) and segment loss of approximately HK\$133,000 (2014: Nil) which was mainly due to initial expenses incurred in relation to the acquisition of granges.

The Group intends to carry out improvements on the facilities of the existing hotels and construct new wings of hotels on the existing land held by the Group in Australia and/or on an adjacent land to be acquired by the Group so as to increase the attractiveness of the grange for bringing in a higher income to the Group and further expand the Group's hospitality business in Australia.

Provision of Integral Marketing Services – Discontinued operation

During the year under review, revenue generated from the provision of integral marketing services amounted to approximately HK\$376,158,000 (2014: HK\$45,653,000) and a segment profit of approximately HK\$36,024,000 (2014: HK\$2,474,000) was recorded, which was mainly attributable to the provision of integrated digital marketing services by Zhiqu.

On 8 December 2015, 迹象信息技术(上海)有限公司 (in English for identification purpose only, Jixiang Information Technology (Shanghai) Co., Ltd.) (“**Jixiang**”), a wholly-owned subsidiary of the Company, Mr. Xu Jiali, Mr. Xu Xiaofeng, Zhiqu and LEO Group Co., Ltd. 利歐集團股份有限公司 (“**LEO Group**”), a company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (Stock code: 002131), entered into the SP Agreement pursuant to which Jixiang, Mr. Xu Jiali and Mr. Xu Xiaofeng have conditionally agreed to sell, and the LEO Group have conditionally agreed to acquire, the entire equity interest in Zhiqu (the “**Zhiqu Disposal**”), at a total consideration of RMB754,000,000 (equivalent to approximately HK\$912,340,000), RMB237,010,000 (equivalent to approximately HK\$286,782,000) of which shall be payable to Jixiang and will be satisfied by LEO Group by the allotment and issue of 13,055,555 new shares of LEO Group and payment of cash consideration of RMB25,510,009 to Jixiang.

The Directors consider that the Zhiqu Disposal represents a lucrative opportunity to the Group to realise its investment in the provision of integral marketing services business so as to enable the Group to re-allocate more financial resources on its mobile internet cultural industry business, including but not limited to the mobile-online education business, mobile-online game business and even the business entertainment, which will be one of the Group’s business focus to realise the pan-entertainment and “mobile internet+” business strategy, and development in the hospitality business in Australia. The Company also considers that the receipt of shares in LEO Group represents an opportunity for the Group to invest in LEO Group, which will diversify the Company’s investments and may bring return to the Shareholders. The Zhiqu Disposal is approved by the Shareholders in the special general meeting of the Group on 29 February 2016 and is subjected to approval by the China Securities Regulatory Commission as at the date of this announcement.

Money Lending Business

The Group’s loan portfolios comprised of unsecured loans granted to individual customers with average interest rate charged of 11% per annum. During the year under review, the Group recorded interest income of approximately HK\$1,384,000 (2014: HK\$131,000) from this segment. The credit terms of the outstanding loan were about half a year. The Group has been closely paying close attention to the market conditions for capturing business opportunities in the money lending segment and will expand the business to diversify the income source of the Group and generate steady returns.

Assets Investments Business

Currently, the Group's investment portfolio mainly comprises investments in listed securities. During the year under review, the segment profit amounted to approximately HK\$22,452,000 (2014: segment loss of approximately HK\$21,371,000) mainly attributable to the unrealised gain on financial assets at fair value through profit or loss.

In addition to financial assets at fair value through profit or loss, the Group recorded an unrealised fair value loss on available-for-sale investments of approximately HK\$4,066,000 (2014: HK\$23,120,000) as other comprehensive loss. An impairment loss on available-for-sale investments of approximately HK\$20,248,000 (2014: HK\$23,120,000) was reclassified from other comprehensive loss to the statement of profit or loss for the year under review.

The Group will continue optimizing its investment portfolios to invest in quality listed securities so as to create value for the Shareholders.

In order to diversify the Group's business, the Group entered into certain sale and purchase agreements to acquire certain investment properties in Hong Kong. It is expected that these acquisitions will bring new income to the Group and generate steady revenue after completion. The acquisitions are expected to be completed on or before 31 May 2016.

PROSPECTS

The world has entered into the era of internet and is moving rapidly towards mobile internet connectivity that will further change how and where people associate, gather, leisure and share information. Business related to internet lifestyle will gradually interweave into daily life of ordinary people. The popularity of smartphones and mobile internet will continue its booming, and hence create more opportunities. With the increasing popularity of various innovative portable devices, including smartphones, a change in living consumption pattern in the areas of education entertainment, and health care has been witnessed in the past few years. In the mobile-online game market, there is an increasing number of mobile game players who are willing to spend money on mobile games. Nevertheless, the mobile-online game industry is highly competitive with low barriers of entry and it is expected that a wider range of games will be introduced. To cater for the diverse preferences of pan-entertainment and the trend of "mobile internet+" industry, the Group has gradually expanded its focus from mobile-online games to encompass industries in the areas of cultural lifestyle of mobile internet, including mobile-online children education, mobile-games, O2O interactive entertainment, and other mobile internet's cultural lifestyle related business and taken the mobile internet

as part of its business development strategy. To better reflect and emphasise the direction of the development of the Group in the mobile internet entertainment and cultural business, the English name of the Company has been changed to “Interactive Entertainment China Cultural Technology Investments Limited”.

A favorable market environment has set in motion for the rapid development in the mobile internet cultural industry business, including but not limited to the mobile-online education business, mobile-online game business and even the entertainment business, which will be one of the Group’s business focus to realise the pan-entertainment and “mobile internet+” business strategy.

The Group believes that having a strong development and operation team will be one of the key success factors to the development of mobile internet cultural industry business. The completion of the acquisition of the entire issued share capital of EPRO BVI brings supports to the Group in replenishing the Group’s overall strength in research and development of internet technology platform. Given that EPRO BVI Group has established proprietary software development and operation infrastructure and is experienced in providing professional tailor-made information technology services to sizeable corporate clients and government departments to address their needs, the Group expects that EPRO BVI Group will provide requisite support to implement its business strategy.

Looking into the future, the Group will stay focus on the development of online education platform and also source other business opportunities for diversifying the business portfolios with the aim to create better returns for the investors.

In order to diversify the Group’s business, the Group acquired certain land and buildings and their related hospitality business in Australia in November 2015. It is expected that these acquisitions will diversify the Group’s investments and pursue more diversified revenue. The Group is considering to further develop the Group’s business in Australia, in particular, the Group intends to carry out improvements on the facilities of the existing hotels and construct new wings of hotels on the existing land held by the Group in Australia and/or on an adjacent land to be acquired by the Group. The Group also aims to enhance the operating efficiency of its hospitality business by periodically reviewing the hospitality operations. In addition, the management of the Group will continue to devote significant efforts to plan and exercise asset enhancement initiatives to bring long term growth in hotel room numbers and revenue to the Group.

The Group will keep making efforts to seek different opportunities, diversifying investment portfolio to realise business expansion from mobile-online games to encompass elements of cultural and lifestyle of mobile internet. The Group has observed a serious of encouraging results of the new strategy, and will continue to work tirelessly and energetically to accomplish its plan in the future development to realise its new business target.

By making several investments into companies that have high growth potential or returns, the Group will seek potential merger and acquisition opportunities and create synergies with its segments in the future. In addition, the Group will make greater efforts to strengthen its long-term partnership with its business partners in different industries to accelerate its healthy growth and ultimately generate greater value to Shareholders.

FINANCIAL RESOURCES AND LIQUIDITY

The Group has maintained a strong liquidity and financial position. As at 31 December 2015, the total assets of the Group were approximately HK\$1,292,294,000 (2014: HK\$378,155,000) including cash and bank balances of approximately HK\$78,587,000 (2014: HK\$53,527,000), among which approximately 85% (2014: 77%) are denominated in Hong Kong dollars. The net current assets of the Group was approximately HK\$293,910,000 (2014: HK\$56,983,000) and the Group's current ratio, being current assets over its current liabilities, was approximately 1.68 times (2014: 2.2 times).

As at 31 December 2015, the Group had short-term borrowings of approximately HK\$153,998,000 (2014: HK\$15,000,000) which borne interest rates ranging from 8.25% to 9% per annum (2014: fixed interest rate of 8% per annum), repayable within one year and denominated in Hong Kong dollars. The Group's gearing was 0.34 times (2014: 0.12 times), calculated on the basis of total liabilities to total assets.

ISSUE OF NOTES

On 13 October 2015, in order to provide funding for the Group's assets investments business, the Company issued 9% per annum notes in the aggregate principal amount of HK\$150,000,000 maturing on the first anniversary of the date of issue. The net proceeds of such issue is approximately HK\$145,500,000 and had been fully utilised for funding the acquisition of securities for the Group's assets investments business.

CAPITAL STRUCTURE

As at 31 December 2015, the Group had shareholders' equity of approximately HK\$819,690,000 (2014: HK\$326,012,000).

Placing of new shares on 22 April 2015 under general mandate

On 22 April 2015, the Company and Win Fung Securities Limited (“**Win Fung**”) as the placing agent entered into the placing agreement (the “**April Placing Agreement**”), pursuant to which the Company had conditionally agreed to place through Win Fung, on a best endeavor basis, up to 171,486,000 new ordinary shares of HK\$0.01 each in the share capital of the Company (the “**April Placing Shares**”), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK\$0.151 per April Placing Share (the “**April Placing**”), which represented: (i) a discount of approximately 19.7% to the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the date of the April Placing Agreement; and (ii) a discount of approximately 10.5% to the average closing price of HK\$0.1688 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the April Placing Agreement. The April Placing Shares were allotted and issued pursuant to the general mandate refreshed by the Shareholders at the extraordinary general meeting of the Company held on 12 August 2014.

Completion of the April Placing was conditional upon the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the April Placing Shares to be placed pursuant to the April Placing Agreement by 13 May 2015 (or such later date as the Company and Win Fung may agree in writing).

On 12 May 2015, completion of the April Placing took place in accordance with the terms and conditions of the April Placing Agreement. The Company received net proceeds of approximately HK\$24.7 million from the April Placing, representing a net issue price of approximately HK\$0.144 per April Placing Share, and (i) as to approximately HK\$18.7 million had been utilised for acquisition of securities under the Group's assets investments business and (ii) as to approximately HK\$6 million are intended to be used for the development of online education platform in the PRC, out of which approximately HK\$2 million had been utilised as at the date of this announcement. The aggregate nominal value of the April Placing Share under the April Placing was HK\$1,714,860.

The Directors were of the view that the April Placing represented a good opportunity for the Group to raise additional capital, which would allow the Company to increase its capital base and widen its shareholder base. The Directors (including the independent non-executive Directors) considered that the April Placing was in the interests of the Company and Shareholders as a whole.

Placing of new shares on 22 May 2015 under general mandate

On 22 May 2015, the Company and Astrum Capital Management Limited (“**Astrum**”) as the placing agent, entered into the placing agreement (the “**May Placing Agreement**”), pursuant to which the Company had agreed to place through Astrum, on a best endeavour basis, up to 533,520,000 new ordinary shares of HK\$0.01 each in the share capital of the Company (the “**May Placing Shares**”), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK\$0.176 per May Placing Share (the “**May Placing**”), which represented: (i) a discount of approximately 15.0% to the closing price of HK\$0.207 per Share as quoted on the Stock Exchange on the date of the May Placing Agreement; and (ii) a discount of approximately 14.3% to the average closing price of HK\$0.2054 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the May Placing Agreement. The May Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 15 May 2015.

Completion of the May Placing was conditional upon the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the May Placing Shares to be placed pursuant to the May Placing Agreement by 5 June 2015 (or such later date as the Company and Astrum may agree in writing).

On 5 June 2015, completion of the May Placing took place as agreed between the Company and Astrum. The Company received net proceeds of approximately HK\$90.3 million from the May Placing, representing a net issue price of approximately HK\$0.169 per May Placing Share, and as to (i) approximately HK\$39 million had been utilised for the cornerstone investment in China Parenting Network Holdings Limited, details of which are set out in the announcement of the Company dated 26 June 2015, (ii) as to approximately HK\$21.5 million had been utilised for funding the Group’s investment under the rights issue of Universe International Holdings Limited, details of which are set out in the announcement of the Company dated 14 August 2015, and (iii) as to approximately HK\$29.8 million had been utilised for funding the consideration of acquisitions of properties and business in Australia, details of which are set out in the Company’s announcement dated 11 November 2015. The aggregate nominal value of the May Placing Shares under the May Placing was HK\$5,335,200.

The Directors were of the view that the May Placing represented a good opportunity for the Group to raise additional capital for further development and investment, and would also allow the Company to increase its capital base and widen its shareholder base. The Directors (including the independent non-executive Directors) considered that the May Placing was in the interests of the Company and Shareholders as a whole.

Placing of new shares on 9 July 2015 under specific mandate

On 9 July 2015, the Company and Great Roc Capital Securities Limited (“**Great Roc**”) as the placing agent, entered into the placing agreement (the “**July Placing Agreement**”), pursuant to which the Company had agreed to place through Great Roc, on a best endeavour basis, up to 2,500,002,000 new ordinary shares of HK\$0.01 each in the share capital of the Company (“**July Placing Share**”), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK\$0.1 per July Placing Share (“**July Placing**”), which represented: (i) a discount of approximately 29.08% to the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the date of the July Placing Agreement; and (ii) a discount of approximately 33.42% to the average closing price of HK\$0.1502 per Share as quoted on the Stock Exchange for the five consecutive trading days of Shares immediately prior to the date of the July Placing Agreement. The July Placing Shares were allotted and issued pursuant to the special mandate granted to the Directors at the extraordinary general meeting of the Company held on 10 August 2015 (“**Specific Mandate**”).

Completion of the July Placing was conditional upon: (i) the granting or agreeing to grant by the Stock Exchange of the listing of, and permission to deal in, all of the July Placing Shares; and (ii) the Special Mandate being obtained.

On 21 August 2015, completion of the July Placing took place as agreed between the Company and Great Roc. The Company received net proceeds of approximately HK\$240 million from the July Placing, representing a net issue price of approximately HK\$0.096 per July Placing Share, and (i) approximately HK\$62 million had been applied to fund the EPRO BVI Acquisition, completion of which took place on 31 August 2015 and the expenses in relation to the EPRO BVI Acquisition; (ii) HK\$100 million had been utilised for early repayment of borrowings of the Group; (iii) HK\$40 million had been utilised for money lending business of the Group; and (iv) approximately HK\$38 million had been used for funding the acquisition of securities under the Group's assets investments business. The aggregate nominal value of the July Placing Shares under the July Placing was HK\$25,000,020.

The Directors are of the view that the July Placing represents a good opportunity for the Group to raise additional capital for financing acquisition and investment of the Group and repayment of the borrowings of the Group, and would also allow the Company to increase its capital base and widen its shareholder base. The Directors (including the independent non-executive Directors) consider that the July Placing is in the interests of the Company and Shareholders as a whole.

Placing of new shares on 30 September 2015 under general mandate

On 30 September 2015, the Company and Convoy Securities Limited ("CSL") as the placing agent, entered into the placing agreement (the "**September Placing Agreement**"), pursuant to which the Company had agreed to place through CSL, on a best endeavour basis, up to 1,140,210,000 new ordinary shares of HK\$0.01 each in the share capital of the Company (the "**September Placing Shares**"), to not less than six places who and whose ultimate beneficial owners are third party (ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK\$0.045 per September Placing Share (the "**September Placing**"), which represented: (i) a discount of approximately 11.76% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the date of the September Placing Agreement; and (ii) a discount of approximately 19.35% to the average closing price of HK\$0.0558 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the September Placing Agreement. The September Placing Shares were allotted and issued pursuant to the general mandate refreshed by the Shareholders at the extraordinary general meeting held on 24 August 2015.

Completion of the September Placing is conditional upon the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the September Placing Shares to be placed pursuant to the September Placing Agreement by 16 October 2015 (or such later date as the Company and CSL may agree in writing).

On 15 October 2015, completion of the September Placing took place as agreed between the Company and CSL. The Company received net proceeds of approximately HK\$49.3 million from the September Placing, representing a net issue price of approximately HK\$0.043 per September Placing Share, and had been utilised for funding the acquisition of listed securities for the Group's assets investments business. The aggregate nominal value of the September Placing Shares under the September Placing was HK\$11,402,100.

The Directors are of the view that the September Placing represents a good opportunity for the Group to raise additional capital for capturing the opportunities to invest in quality listed securities, and would also allow the Company to increase its capital base and widen its shareholder base. The Directors (including the independent non-executive Directors) consider that the September Placing is in the interests of the Company and Shareholders as a whole.

Capital Reorganisation

On 30 September 2015, the Company announced to implement the capital reorganisation after the change of domicile becoming effective that (i) every 10 issued and unissued shares of HK\$0.01 each will be consolidated into 1 consolidated share ("**Consolidated Share**") of HK\$0.10 each (the "**Share Consolidation**"); (ii) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01 (the "**Capital Reduction**"); (iii) immediately following the Capital Reduction, each authorised but unissued Consolidated Shares of HK\$0.10 each will be sub-divided into 10 new shares of HK\$0.01 each (the "**Share Subdivision**"); and (iv) the credits arising in the books of the Company from the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation, and the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda. The Share Consolidation, Capital Reduction and Share Subdivision had become effective after 9:00 a.m. (Hong Kong time) on 22 December 2015. Details of the above are set out in the announcements of the Company dated 30 September 2015, 1 December 2015 and 21 December 2015 and the circular of the Company dated 23 October 2015.

FOREIGN EXCHANGE

The Group mainly generated revenue and incurred costs in Hong Kong dollars, Renminbi and Australian dollars. The Group did not invest in any derivative product for hedging during the year under review. Nevertheless, the Group will keep monitoring the foreign currency risk and when there is uncertainty or material fluctuations of foreign exchange rate, the Group will consider to use appropriate hedging instruments including futures and forward contracts in management of exposure affecting the fluctuations of foreign exchange rates.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2015, certain borrowing facilities of the Group were secured by time deposit of approximately HK\$13,000,000 and financial assets at fair value through profit or loss of approximately HK\$98,011,000 (2014: the Group did not have any charges on assets).

CAPITAL COMMITMENTS

As at 31 December 2015, the Group had capital expenditure commitments contracted for acquiring property, plant and equipment and investment properties of approximately HK\$66,772,000 (2014: contracted for acquiring property, plant and equipment and investment in an associate of approximately HK\$5,536,000). The Group had sufficient internal resources to finance its capital expenditures for acquiring property, plant and equipment and will fund the acquisition of investment properties by the net proceeds from the rights issue of the Company (details of which are set out in the prospectus of the Company dated 11 March 2016).

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any material contingent liabilities (2014: Nil).

EVENTS AFTER 31 DECEMBER 2015

On 14 January 2016, the Company has proposed rights issue of 3,420,670,215 rights at the subscription price of HK\$0.155 per rights share on the basis of five rights shares for every one share held on the record date (i.e. 10 March 2016), which was approved by independent shareholders at the special general meeting held on 29 February 2016, further details of which are set out in the announcements of the Company dated 14 January 2016 and 29 February 2016, the circular of the Company dated 11 February 2016 and the prospectus of the Company dated 11 March 2016.

EMPLOYEES REMUNERATION POLICIES

As at 31 December 2015, the Group had 1,530 employees (2014: 230). Staff (including the Directors) salaries, allowances and bonuses totaled approximately HK\$125,788,000 for the year under review (2014: HK\$101,376,000). The Group continues to maintain and upgrade the capabilities of its workforce under review providing them with adequate and regular training.

Remuneration of employee is determined by reference to industry practices and performance, qualification and experience of individual employee.

The emolument policy of the Directors are decided by the Board, taking into account recommendation of the remuneration committee of the Board, having regard to merit, qualifications and competence of the Directors.

On top of regular remuneration, discretionary bonus and share options which may be granted to employees and the Directors by reference to the Group's performance as well as individual performance of such employees and/or Directors, other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to the employees.

The Company adopted the share option scheme pursuant to an ordinary resolution of all the then Shareholders passed on 10 November 2010 and the Board is authorised, at its absolute discretion, to grant options to eligible participants including any employee, contracted celebrity, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Group (including any director, whether executive or non-executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Group at the time when an option is granted to such employee, or any person who, in the sole discretion of the Board, have contributed or may contribute to the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There were no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2015.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving and upholding good corporate governance practices that promote greater transparency and quality of disclosure as well as more effective internal control.

The Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**Code Provisions**") as its code of corporate governance. The Board is responsible for performing corporate governance duties including (a) developing and reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulations requirements; (b) reviewing and monitoring the training and continuous professional development of Directors and (c) reviewing the Company's compliance with the Code Provisions. The Board had carried out the said corporate governance functions during the year. The Company has complied with the Code Provisions throughout the year ended 31 December 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors, the Directors have complied with the required standard of dealings and its code of conduct regarding Directors' securities transactions during the year ended 31 December 2015.

FINAL DIVIDEND BY WAY OF BONUS ISSUE OF SHARES

The Board proposed a 2015 final dividend by way of Bonus Issue on the basis of two Bonus Shares for every ten existing Shares held by the Shareholders whose names appear on the register of members of the Company on Monday, 16 May 2016. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount standing to the credit of the contributed surplus account of the Company.

The Bonus Issue is subject to approval by the Shareholders on the annual general meeting of the Company to be convened and held on Monday, 9 May 2016 and the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares. The Bonus Shares will rank pari passu in all respects with the existing Shares except that they will not rank for the Bonus Issue.

A circular containing further details of the Bonus Issue will be despatched to the Shareholders as soon as possible.

CLOSURE OF REGISTER OF MEMBERS

The register of Shareholders will be closed from Friday, 13 May 2016 to Monday, 16 May 2016 (both days inclusive) in order to determine entitlements of the Shareholders to the Bonus Issue. In order to be entitled to qualify for entitlement to the Bonus Issue, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Thursday, 12 May 2016.

REVIEW OF THE RESULTS ANNOUNCEMENT

The Group's audited consolidated results for the year ended 31 December 2015 have been reviewed by the audit committee of the Board. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, PKF, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PKF 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 PKF on the preliminary announcement.

By the order of the Board

Interactive Entertainment China Cultural Technology Investments Limited

Zhang Peiao

Executive Director

23 March 2016

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Xiongfeng, Mr. Zhang Peiao and Mr. Hung Kenneth and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Ms. Lin Ting and Mr. Wong Ching Yip.