GUOCANG GROUP LIMITED
國 藏 集 團 有 限 公 司
(proposed to be renamed as DeTai New Energy Group Limited
德泰新能源集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 0559)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

RESULTS

The board (the "Board") of directors (the "Director(s)") of Guocang Group Limited (the "Company") hereby announces the audited annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2015, together with comparative figures from the previous corresponding year, summarised as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Continuing operations			
Turnover	*3*	**49,698**	94,353
Cost of sales		**(21,453)**	(72,446)
Gross profit		**28,245**	21,907
Interest income		**2,528**	6,713
Other income		**20**	2,075
Selling and distribution expenses		**(3,190)**	(5,027)
General and administrative expenses		**(119,230)**	(110,556)
Finance costs	*4*	**(17,100)**	(5,751)
Reversal of impairment loss on loans receivable		**600**	550
Impairment loss on intangible assets	*9*	**–**	(178,511)
Impairment loss on goodwill	*10*	**–**	(429,617)
Change in fair value of financial assets at fair value through profit or loss	*13*	**67,414**	134,118
Change in fair value of financial liabilities at fair value through profit or loss	*15*	**10,575**	490,854
Loss before income tax	*5*	**(30,138)**	(73,245)
Income tax credit	*6*	**1,216**	44,627
Loss after income tax from continuing operations		**(28,922)**	(28,618)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	*19.1*	**40,445**	(12,658)
Profit/(loss) for the year		**11,523**	(41,276)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of financial statements of foreign operations		**(4,638)**	566
Release of exchange reserve to profit or loss upon disposal of subsidiaries	*19.2*	**(35,890)**	–
Other comprehensive income for the year		**(40,528)**	566
Total comprehensive income for the year		**(29,005)**	(40,710)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the year ended 30 June 2015

	Note	2015 HK$'000	2014 HK$'000
Profit/(loss) for the year attributable to:			
Owners of the Company		**12,055**	(41,276)
Non-controlling interests		**(532)**	–
		11,523	(41,276)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(28,471)**	(40,710)
Non-controlling interests		**(534)**	–
		(29,005)	(40,710)
Earnings/(loss) per share attributable to owners of the Company:	*8*		
From continuing and discontinued operations			
— Basic		**0.33HK cent**	(1.15)HK cents
— Diluted		**N/A**	N/A
From continuing operations			
— Basic		**(0.77)HK cent**	(0.80)HK cent
— Diluted		**N/A**	N/A
From discontinued operations			
— Basic		**1.10HK cents**	(0.35)HK cent
— Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**26,648**	87,022
Prepayments for acquisition of property, plant and equipment		**–**	582
Prepaid lease payments for land		**–**	9,762
Intangible assets	*9*	**116,112**	–
Goodwill	*10*	**388,766**	–
Prepayments	*11*	**12,880**	2,370
Total non-current assets		**544,406**	99,736
Current assets			
Inventories		**97,286**	138,577
Trade receivables, other receivables, deposits and prepayments	*11*	**300,412**	197,605
Bills receivable		**–**	12,182
Loans receivable	*12*	**200,164**	65,610
Prepaid lease payments for land		**–**	248
Financial assets at fair value through profit or loss	*13*	**215,519**	85,489
Pledged deposits		**–**	121,534
Bank balances and cash		**179,585**	406,578
Total current assets		**992,966**	1,027,823
Current liabilities			
Trade payables, other advances and accruals	*14*	**21,756**	123,492
Bills payable		**–**	1,460
Borrowings		**–**	165,278
Tax payable		**10,413**	9,007
Financial liabilities at fair value through profit or loss	*15*	**–**	10,675
Total current liabilities		**32,169**	309,912
Net current assets		**960,797**	717,911
Total assets less current liabilities		**1,505,203**	817,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Corporate bonds	16	**179,704**	69,526
Deferred tax liabilities		**25,817**	690
Total non-current liabilities		**205,521**	70,216
Net assets		**1,299,682**	747,431
EQUITY			
Share capital	17	**223,856**	179,721
Reserves		**1,035,938**	567,597
Equity attributable to owners of the Company		**1,259,794**	747,318
Non-controlling interests		**39,888**	113
Total equity		**1,299,682**	747,431

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is 12/F., Henley Building, 5 Queen's Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are principally engaged in the businesses of (i) manufacturing and trading of electric cycles; (ii) trading and distribution of liquor and wine; (iii) provision of money lending services; and (iv) investments in listed securities.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 July 2014:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) 21	Levies

The adoption of these amendments has no significant impact on the Group's financial statements.

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively. The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis.

Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

The adoption of the amendments has no impact on these financial statements as the Company is not an investment entity.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(a) Adoption of new/revised HKFRSs *(Continued)*

Amendments to HKAS 39 — Novation of Derivatives and Continuation of Hedge Accounting

The amendments provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The amendments are applied retrospectively. The adoption of the amendments has no impact on these financial statements as the Group does not apply hedge accounting.

HK (IFRIC) 21 — Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation has been applied retrospectively. The adoption of HK (IFRIC) 21 has no impact on these financial statements as the interpretation is consistent with the Group's previous application of its accounting policies on provisions.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[3]
Amendments to HKAS 1	Disclosure Initiative[1]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2017
[3] Effective for annual periods beginning on or after 1 January 2018

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

2. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")** *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 15 — Revenue from Contracts with Customers (Continued)

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(c) Amended Main Board Listing Rules (as below-mentioned) relating to the presentation and disclosures in financial statements

The amended Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Amended Main Board Listing Rules") in relation to the presentation and disclosures in financial statements, including the amendments with reference to the new Hong Kong Companies Ordinance, Cap. 622, will first apply to the Group in its financial year ending on 30 June 2016.

The Directors consider that there will be no impact on the Group's financial position or performance. However the Amended Main Board Listing Rules would have impacts on the presentation and disclosures in the consolidated financial statements.

3. TURNOVER AND SEGMENT REPORTING

(a) Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers net of returns and discounts and sales related taxes, interest income from money lending and dividend income from listed securities during the year.

	2015	2014
	HK$'000	*HK$'000*
Liquor and wine	**33,516**	90,929
Money lending services	**13,845**	–
Investment in listed securities	**2,337**	3,424
	49,698	94,353

(b) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

During the year, the Group has completed the disposal of the businesses of (i) manufacture and trading of cable and wires and (ii) manufacture and trading of copper rods. In accordance with HKFRS 5, the segments of (i) manufacture and trading of cable and wires and (ii) manufacture and trading of copper rods for the years ended 30 June 2015 and 2014 were presented as discontinued operations in the Group's consolidated financial statements. Further details regarding the results of the discontinued operations are set out in note 19.

In addition, the Group has completed the acquisition of electric cycles business, which has been identified as reportable segment as a result of its importance to the total assets of the Group.

Money lending services business becomes the reportable segment as a result of the growing importance of the money lending services business to the total revenue and assets of the Group. Certain comparatives in the segment information as presented in this note are re-presented accordingly during the year to conform to current year's presentation.

3. **TURNOVER AND SEGMENT REPORTING** *(Continued)*

(b) Reportable segments *(Continued)*

The Group currently has four reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

(i) manufacturing and trading of electric cycles;

(ii) trading and distribution of liquor and wine;

(iii) provision of money lending services; and

(iv) investments in listed securities.

There were no inter-segment transactions between different operating segments for the year (2014: Nil). Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision-maker for assessment of segment performance.

(c) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 30 June 2015

	Electric cycles *HK$'000*	Liquor and wine *HK$'000*	Money lending services *HK$'000*	Investments in listed securities *HK$'000*	Total *HK$'000*
Segment revenue	–	33,516	13,845	2,337	49,698
Segment (loss)/profit	(2,648)	(32,691)	14,358	69,710	48,729
Unallocated corporate income and expenses, net					(38,120)
Finance costs					(17,100)
Share-based payment expenses					(34,222)
Change in fair value of contingent share consideration payable					10,575
Loss before income tax from continuing operations					(30,138)

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(c) Segment revenue and results *(Continued)*

For the year ended 30 June 2014

	Liquor and wine *HK$'000*	Money lending services *HK$'000* (Re-presented)	Investments in listed securities *HK$'000*	Total *HK$'000* (Re-presented)
Segment revenue	90,929	3,508	3,424	97,861
Segment (loss)/profit	(647,824)	3,978	137,387	(506,459)
Unallocated corporate income and expenses, net				(7,359)
Finance costs				(5,751)
Share-based payment expenses				(44,530)
Change in fair value of contingent share consideration payable				490,854
Loss before income tax from continuing operations				(73,245)

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(d) Segment assets and liabilities

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

	2015	2014
	HK$'000	*HK$'000*
Segment assets		
Continuing operations		
Electric cycles	**520,424**	–
Liquor and wine	**223,929**	434,569
Money lending services	**293,131**	71,679
Investments in listed securities	**215,705**	321,546
Discontinued operations		
Cable and wires	**–**	135,447
Copper rods	**–**	101,597
Total segment assets	**1,253,189**	1,064,838
Deposits for subscription of convertible bonds	**180,000**	–
Unallocated bank balances and cash	**70,824**	57,637
Unallocated corporate assets	**33,359**	5,084
Consolidated total assets	**1,537,372**	1,127,559

	2015	2014
	HK$'000	*HK$'000*
Segment liabilities		
Continuing operations		
Electric cycles	**8,618**	–
Liquor and wine	**7,609**	185,594
Money lending services	**3,025**	85
Investments in listed securities	**144**	140
Discontinued operations		
Cable and wires	**–**	75,824
Copper rods	**–**	27,780
Total segment liabilities	**19,396**	289,423
Tax payable	**10,413**	9,007
Deferred tax liabilities	**25,817**	690
Corporate bonds	**179,704**	69,526
Unallocated financial liabilities at fair value through profit or loss	**–**	10,575
Unallocated corporate liabilities	**2,360**	907
Consolidated total liabilities	**237,690**	380,128

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(e) Other segment information

For the year ended 30 June 2015

	Electric cycles HK$'000	Liquor and wine HK$'000	Money lending services HK$'000	Investments in listed securities HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	2,933	6,772	–	–	4,906	14,611
Depreciation of property, plant and equipment	(51)	(774)	–	–	(1,422)	(2,247)
Amortisation of intangible assets	(1,489)	–	–	–	–	(1,489)
Impairment loss on trade receivables	–	(19,133)	–	–	–	(19,133)
Reversal of impairment loss on loans receivable	–	–	600	–	–	600
Change in fair value of financial liabilities at fair value through profit or loss	–	–	–	–	10,575	10,575
Change in fair value of financial assets at fair value through profit or loss	–	–	–	67,414	–	67,414
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss:						
Income tax credit	331	–	885	–	–	1,216
Finance costs	–	(4,247)	–	–	(12,853)	(17,100)

For the year ended 30 June 2014

	Liquor and wine HK$'000	Money lending services HK$'000 (Re-presented)	Investment in listed securities HK$'000	Unallocated HK$'000 (Re-presented)	Total HK$'000 (Re-presented)
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets	489	–	–	–	489
Depreciation of property, plant and equipment	(1,270)	–	–	(353)	(1,623)
Amortisation of intangible assets	(4,148)	–	–	–	(4,148)
Reversal of impairment loss on loans receivable	–	550	–	–	550
Impairment loss on trade receivables	(28,451)	–	–	–	(28,451)
Impairment loss on intangible assets	(178,511)	–	–	–	(178,511)
Impairment loss on goodwill	(429,617)	–	–	–	(429,617)
Change in fair value of financial liabilities at fair value through profit or loss	–	–	–	490,854	490,854
Change in fair value of financial assets at fair value through profit or loss	–	–	134,118	–	134,118
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss:					
Income tax credit/(expense)	45,173	(546)	–	–	44,627
Finance costs	(4,987)	–	–	(764)	(5,751)

3. TURNOVER AND SEGMENT REPORTING *(Continued)*

(f) Geographic information

The Group's operations are mainly located in Hong Kong (place of domicile) and the People's Republic of China (the "PRC").

The Group's revenue from external customers and information about its non-current assets by geographical markets are detailed as below:

	Revenue from external customers (including continuing and discontinued operations)		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Re-presented)		
Hong Kong	**16,182**	6,932	**20,568**	5,876
PRC	**168,682**	435,892	**523,838**	93,860
	184,864	442,824	**544,406**	99,736

The geographical location of customers is based on the location at which the goods and services are delivered. For goodwill and intangible assets, the geographical location is based on the areas of operation. The geographical location of other non-current assets is based on the physical location of the assets.

(g) Major customers

Revenue from a customer of the corresponding years contributing over 10% of the total turnover (including continuing and discontinued operations) of Group is as follow:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**35,492**	44,454

This is a customer of copper rods segment in the discontinued operations.

4. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest on corporate bonds	**12,853**	764
Interest on bank loans wholly repayable within five years	**4,247**	4,987
	17,100	5,751

5. LOSS BEFORE INCOME TAX

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Loss before income tax is arrived at after charging/(crediting):		
Auditor's remuneration	**1,300**	1,100
Depreciation of property, plant and equipment	**2,247**	1,623
Cost of inventories recognised as expense	**21,453**	72,446
Amortisation of issuance cost of corporate bonds	**2,353**	176
Amortisation of intangible assets	**1,489**	4,148
Impairment loss on trade receivables	**19,133**	28,451
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**23,156**	11,090
Contributions to retirement benefit schemes	**314**	369
Share-based payment expenses to staff	**4,061**	2,934
Share-based payment expenses to consultants of the Group	**30,161**	41,596
Operating lease rentals in respect of:		
Office premises	**7,173**	5,433
Factory premises	**86**	–
Exchange losses/(gains), net	**1,975**	(1)
Bank interest income	**(2,528)**	(3,205)
Loss on disposal of property, plant and equipment	**14**	851

6. INCOME TAX (CREDIT)/EXPENSE

For both years ended 30 June 2015 and 2014, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. The subsidiaries established in the PRC are subject to income taxes at tax rate of 25% (2014: 25%).

	2015		2014	
	Continuing operations	**Discontinued operations**	Continuing operations	Discontinued operations
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Current tax for the year				
Hong Kong	**122**	**–**	545	–
PRC	**–**	**2,508**	729	–
(Over)/under-provision for prior years				
Hong Kong	**(1,007)**	**–**	–	–
PRC	**–**	**–**	(102)	363
Deferred taxation	**(331)**	**(12)**	(45,799)	(29)
Total income tax (credit)/expense	**(1,216)**	**2,496**	(44,627)	334

7. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 30 June 2015 (2014: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculation of the basic earnings/(loss) per share based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share:		
Continuing operations	**(28,390)**	(28,618)
Discontinued operations	**40,445**	(12,658)
Total profit/(loss) from continuing operations and discontinued operations	**12,055**	(41,276)

	Number of shares	
	2015	2014
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**3,672,876**	3,594,414

Diluted earnings/(loss) per share amount for both years was not presented because the impact of the exercise of the share options and convertible preference shares was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company from continuing operations.

9. INTANGIBLE ASSETS

	Distribution rights *(note a)* *HK$'000*	Distribution network *(note b)* *HK$'000*	Patent *(note c)* *HK$'000*	Patent use right *(note d)* *HK$'000*	Total *HK$'000*
COST:					
At 1 July 2013	170,075	14,861	–	–	184,936
Exchange realignment	(600)	(52)	–	–	(652)
At 30 June 2014	169,475	14,809	–	–	184,284
Acquired through acquisition of subsidiaries *(note 18)*	–	–	72,596	45,005	117,601
Exchange realignment	(1,174)	(103)	–	–	(1,277)
At 30 June 2015	168,301	14,706	72,596	45,005	300,608
ACCUMULATED AMORTISATION AND IMPAIRMENT:					
At 1 July 2013	2,074	–	–	–	2,074
Amortisation for the year	4,148	–	–	–	4,148
Impairment loss	163,667	14,844	–	–	178,511
Exchange realignment	(414)	(35)	–	–	(449)
At 30 June 2014	169,475	14,809	–	–	184,284
Amortisation for the year	–	–	919	570	1,489
Exchange realignment	(1,174)	(103)	–	–	(1,277)
At 30 June 2015	168,301	14,706	919	570	184,496
NET CARRYING AMOUNT:					
At 30 June 2015	–	–	71,677	44,435	116,112
At 30 June 2014	–	–	–	–	–

9. INTANGIBLE ASSETS *(Continued)*

Notes:

(a) Distribution rights represented (i) the exclusive distribution right for 五糧液釀神 (excluding Niangshen 101 series) (in English, for identification purpose only, "Wuliangye Niangshen Liquor Series") granted by 四川五穀釀神酒業集團有限公司 (in English, for identification purpose only, "Sichuan Wugu Niangshen Wine Group Limited") for an indefinite period; and (ii) the non-exclusive distribution right for 五糧液 (in English, for identification purpose only, "Wuliangye Liquor Series") granted by 宜賓五糧液酒類銷售有限責任公司 (in English, for identification purpose only, "Yibin Wuliangye Liquor Sales Co., Ltd."), which was expired in June 2015.

As at 30 June 2014, exclusive distribution right with the net carrying amount of HK$163,275,000 is attributable to the same cash-generating unit with which the goodwill amount is recognised. As the recoverable amount of the cash-generating unit of the liquor and wine business is lower than its carrying amount, an impairment loss of HK$163,667,000 was recognised in the consolidated statement of comprehensive income for the year ended 30 June 2014. Details of the impairment assessment of that cash-generating unit are set out in note 10. The non-exclusive distribution right was fully amortised for the year ended 30 June 2014. No reversal of impairment loss was considered for the year ended 30 June 2015.

(b) Distribution network represented agreements in relation to the formation of certain joint-venture companies in various provinces of the PRC and wine distribution network between the Group and each of the provincial distributors.

As at 30 June 2014, distribution network with the net carrying amount of HK$14,809,000 is attributable to the same cash-generating unit with which the goodwill amount is recognised. As at 30 June 2014, the Directors reviewed the recoverable amounts of distribution network in the liquor and wine business. Due to changes in market conditions, the Group gradually agreed with the provincial distributors to discontinue the cooperation agreements, including the formation of the joint-venture companies and the share of profits from the stores. The Directors are of the opinion that such distribution network would not generate any economic benefit to the Group and the recoverable amount would be minimal. As a result of such review, an impairment loss of HK$14,844,000 was recognised in the consolidated statement of comprehensive income for the year ended 30 June 2014. No reversal of impairment loss was considered for the year ended 30 June 2015.

(c) Patent represented a technique in relation to an assembling structure for solar-powered electric cycles, which is allocated to the cash-generating unit of manufacturing and trading of electric cycles business (the "Electric Cycles CGU").

(d) Patent use right represented a use right of technique under a patent in relation to electric cycle wheel hub motors and electric cycle wheels. The patent is owned by an independent third party and a non-exclusive perpetual use right was granted to the Group. Patent use right is allocated to the Electric Cycle CGU.

10. GOODWILL

	HK$'000
COST:	
At 1 July 2013	428,805
Exchange realignment	(216)
At 30 June 2014	428,589
Acquired through business combination *(note 18)*	388,766
Exchange realignment	(2,969)
At 30 June 2015	814,386
ACCUMULATED IMPAIRMENT LOSSES:	
At 1 July 2013	–
Impairment loss	429,617
Exchange realignment	(1,028)
At 30 June 2014	428,589
Exchange realignment	(2,969)
At 30 June 2015	425,620
NET CARRYING AMOUNT:	
At 30 June 2015	388,766
At 30 June 2014	–

For the purpose of impairment testing, goodwill is allocated to the cash generating units ("CGU") identified as follows:

	HK$'000
Year ended 30 June 2014	
Liquor and wine business *(note a)*	428,589

	HK$'000
Year ended 30 June 2015	
Electric cycles business *(note b)*	388,766

10. GOODWILL *(Continued)*

Notes:

(a) Liquor and wine business

The goodwill was arising from the acquisition of the trading and distribution of liquor and wine business in 2013. The goodwill with the net carrying amount of HK$428,589,000 as at 30 June 2014 is allocated to the cash-generating unit of liquor and wine business (the "Wine CGU").

With the impacts of economic slowdown in Mainland China and the enforcement of a number of frugality policies by the Chinese government for the year ended 30 June 2014, the liquor and wine business was under a challenging market condition. The high-end liquor market in Mainland China was tardy that distributors were facing the problem of slow liquidity flow.

With reference to the declined results of the Wine CGU for the year ended 30 June 2014 and slow-down of prevailing condition of liquor and wine market in Mainland China, the Directors considered the goodwill and intangible assets arising from the acquisition of the trading and distribution of liquor and wine business should be impaired. As the recoverable amount of the Wine CGU amounting to HK$157,289,000 is lower than its carrying amount, an impairment loss on the goodwill of HK$429,617,000 was recognised in the consolidated statement of comprehensive income for the year ended 30 June 2014.

For the year ended 30 June 2014, the recoverable amount of the Wine CGU is determined by the Directors with reference to a valuation report issued by Grant Sherman Appraisal Limited ("Grant Sherman"), an independent professional qualified valuer and a member of The Hong Kong Institute of Surveyer. The recoverable amount of the Wine CGU has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of 5 years and at a pre-tax discount rate of 26%. The cash flow projections beyond the 5-year period are extrapolated using a growth rate of 3%. Cash flow projections during the budget period are based on the expected gross margins during the budget period. Budgeted gross margins and growth rate have been determined based on past performance and the Group management's expectations for the market development and future performance of the Wine CGU. The discount rate is determined based on the cost of capital adjusted by the specific risk associated with the Wine CGU.

(b) Electric cycles business

The goodwill was arising from the acquisition of manufacturing and trading of electric cycles business as set out in note 18. The goodwill with the net carrying amount of HK$388,766,000 as at 30 June 2015 is allocated to the Electric Cycles CGU.

For the year ended 30 June 2015, the recoverable amount of the Electric Cycles CGU is determined by the Directors with reference to a valuation report issued by Grant Sherman. The recoverable amount of the Electric Cycles CGU has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of 5 years and at a pre-tax discount rate of 24.35% (2014: N/A). The cash flow projections beyond the 5 years periods are extrapolated using a growth rate of 3% (2014: N/A). Cash flow projections during the budget period are based on the expected gross margins during the budget period. Budgeted gross margins and growth rate have been determined based on past performance and the Group management's expectations for the market development and future performance of the Electric Cycles CGU. The discount rate is determined based on the cost of capital adjusted by the specific risk associated with the Electric Cycles CGU.

11. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**91,709**	113,507
Less: Provision for impairment loss	**(47,279)**	(28,383)
Trade receivables, net	**44,430**	85,124
Other receivables	**6,197**	19,914
Trade deposits paid	**19,427**	52,770
Prepayments for purchase	**36,213**	37,799
Other deposits and prepayments	**207,025**	4,368
	313,292	199,975
Less: Current portion	**(300,412)**	(197,605)
Non-current portion	**12,880**	2,370

Note:

The Group allows an average credit period of 0 to 90 days to its trade receivables.

The ageing analysis of trade receivables, net of allowance for doubtful debts, based on invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**63**	41,635
31–60 days	**25**	24,039
61–90 days	**135**	14,930
Over 90 days	**44,207**	4,520
	44,430	85,124

12. LOANS RECEIVABLE

	2015	2014
	HK$'000	*HK$'000*
Gross loans and interest receivables	**208,940**	74,986
Less: Provision for impairment loss	**(8,776)**	(9,376)
	200,164	65,610

As at 30 June 2015, the loans receivable with gross principal amount of HK$206,875,000(2014: HK$73,650,000) in aggregate and related gross interest receivables of HK$2,065,000 (2014: HK$1,336,000) were due from five (2014: seven) independent third parties. These loans are interest-bearing at rates ranging from 7% to 18% (2014: 5% to 15%) per annum. All the loans were repayable within twelve months from the end of the reporting period and therefore were classified as current assets at the reporting date.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$'000	*HK$'000*
Hong Kong listed equity investments, at fair value	**215,519**	85,489

The fair values of listed securities are based on quoted market prices.

For the year ended 30 June 2015, a gain on change in fair value of financial asset at fair value through profit or loss of HK$67,414,000 (2014:HK$134,118,000) was recognised in the consolidated statement of comprehensive income.

14. TRADE PAYABLES, OTHER ADVANCES AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**2,233**	11,005
Receipts in advance	**4,205**	5,625
Other payables and accruals	**15,318**	106,862
	21,756	123,492

The ageing analysis of trade payables, based on invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**–**	3,467
31–60 days	**490**	3,173
61–90 days	**–**	1,930
Over 90 days	**1,743**	2,435
	2,233	11,005

Amount due to a non-controlling shareholder of a subsidiary amounted to HK$4,038,000 (2014:Nil) was included in other payables in the consolidated statement of financial position. The balance was unsecured, interest-free and repayable on demand.

15. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$'000	*HK$'000*
Copper futures contracts *(note a)*	**–**	100
Contingent share consideration payable *(note b)*	**–**	10,575
	–	10,675

Notes:

(a) Copper Futures Contracts

As at 30 June 2015, there is no outstanding copper futures contract. The major terms of the outstanding copper futures contracts of the Group as at 30 June 2014 which have not been designated as hedging instruments were as follows:

	As at 30 June 2014
Quantities (in tonnes)	40
Average price per tonne (in RMB)	49,300
Maturity period	October 2014
Fair value of liabilities arising from copper futures contracts (in HK$'000)	(100)

The fair value of above call contracts was determined with reference to the quoted market prices of the commodity at the end of reporting period. The gain on change in fair value of derivative financial instruments of HK$313,000 has been recognised in the result of discontinued operations for the year ended 30 June 2014.

(b) Contingent Share Consideration Payable

In 2013, the Company issued 1,238,095,000 convertible preference shares as the consideration for the business combination. Convertible preference share of notional value of HK$0.21 each shall be convertible into one new ordinary share, subject to adjustments in the customary manner, including share consolidations, share subdivision, capitalisation issues, capital distributions, rights issues and issues of other securities for cash. Before meeting the profit target, those convertible preference shares had not yet been released to the vendor and had been deposited with the escrow agent. The convertible preference shares are non-redeemable and not listed on any stock exchange.

The number of the convertible preference shares to be released to the vendor is subject to the downward adjustment. The fair value gain of contingent share consideration payable amounted to HK$10,575,000 (2014:HK$490,854,000) has been recognised in the consolidated statement of comprehensive income for the year ended 30 June 2015.

16. CORPORATE BONDS

	2015	2014
	HK$'000	*HK$'000*
Corporate bonds	**179,704**	69,526

During the year ended 30 June 2015, the Group issued two fixed-rate corporate bonds. A corporate bond at principal amount of HK$102,000,000 (2014:HK$15,500,000) ("Bond A") bears interest at 8% per annum, and another corporate bond at principal amount of HK$84,500,000 (2014: HK$57,500,000) ("Bond B") bears interest at 10% per annum. The interests of Bond A are paid in advance while the interests of Bond B are paid in arrears. Both bonds are guaranteed by the Company and will mature on the date falling on the third anniversary of the date of first issue.

Net proceeds from the issue of the corporate bonds, as reduced by transaction cost, amounted to approximately HK$107,825,000 (2014: HK$69,350,000).

The Company may, at any time falling on the first and the second anniversary of the issue dates of the corporate bonds, redeem the whole corporate bonds at 100% of the total principal amounts together with payments of interest accrued up to the dates of such early redemption by serving at least thirty days written notice.

17. SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Ordinary shares of HK$0.05 each at 30 June 2014 and 2015		
Authorised:		
At 1 July 2013, 30 June 2014 and 30 June 2015	30,000,000	1,500,000

	Number of shares	**Amount**
	'000	*HK$'000*
Issued and fully paid:		
At 1 July 2014	3,594,414	179,721
Issue of shares for acquisition of subsidiaries *(note 18)*	700,000	35,000
Exercise of share options	182,700	9,135
At 30 June 2015	4,477,114	223,856

18. ACQUISITION OF SUBSIDIARIES

On 29 May 2015, the Group completed the acquisition of the 85% issued share capital of Delta Prestige and its subsidiaries ("Delta Prestige Group"). Delta Prestige Group principally engaged in the manufacturing and trading of electric cycles. The primary reason for the acquisition was to further expand and diversify the business portfolio within the new energy sector by entering into consumer market.

The fair values of identifiable assets and liabilities arising from the acquisition of Delta Prestige Group as at the date of acquisition were as follows:

	Fair value
	HK$'000
Property, plant and equipment	10,767
Intangible assets *(note 9)*	117,601
Inventories	1,185
Other receivables	4,048
Bank balances and cash	1,339
Trade payables	(318)
Other payables and accruals	(8,931)
Deferred tax liabilities	(26,148)
	99,543
Non-controlling interests	(40,309)
Fair value of net assets acquired	59,234
Net cash inflow from the acquisition of subsidiaries:	
Cash and cash equivalents in subsidiaries acquired	1,339
Consideration	448,000
Less: Fair value of net assets acquired	(59,234)
Goodwill *(note 10)*	388,766

The Company issued 700,000,000 consideration shares as the consideration for the acquisition. The fair value of the consideration shares issued of HK$448,000,000 was determined by reference to their quoted market price of HK$0.64 at the date of acquisition.

Pursuant to the acquisition agreement, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of Delta Prestige Group in accordance with Hong Kong generally accepted accounting principles for the year ending 30 June 2016 shall not be less than HK$100,000,000 (the "Profit Target"). In case of Delta Prestige Group cannot achieve the Profit Target, the vendor will compensate to the Company in cash. The compensation is calculated in accordance with the following formula:

The compensation = Profit Target – Audited net profit

If Delta Prestige Group records an audited net loss for the year ending 30 June 2016, the audited net profit will be deemed as zero for the purpose of calculation of the compensation.

The Directors are of the opinion that Delta Prestige Group would achieve the Profit Target. As such, the fair value of compensation is considered as minimal.

18. ACQUISITION OF SUBSIDIARIES *(Continued)*

The goodwill of HK$388,766,000, which is not deductible for tax purposes, comprises the acquired workforce and the expected future growth of manufacturing and trading of electric cycles business in the PRC to diversify the revenue stream of the existing business of the Group.

19. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES

19.1 On 24 July 2014, the Group entered into an agreement to dispose of its 100% equity interest in Hua Yi Copper (BVI) Company Limited and its subsidiaries (the "Hua Yi Group" or "Discontinued Operations"), which carried out copper rods and cable and wires businesses. The disposal was effected for the management of the Group to focus on the Group's other principal businesses. The disposal was completed on 25 November 2014 on which date control of Hua Yi Group was passed to acquirer.

An analysis of the Group's results of the discontinued copper rods and cable and wires businesses for the years ended 30 June 2015 and 2014 is as follows:

	2015	2014
	HK$'000	*HK$'000*
Turnover	**135,166**	344,963
Cost of sales	**(126,178)**	(327,083)
Gross profit	**8,988**	17,880
Other income	**97**	1,499
Selling and distribution expenses	**(1,558)**	(3,158)
General and administrative expenses	**(5,798)**	(25,720)
Finance costs	**(1,947)**	(2,825)
Loss before income tax	**(218)**	(12,324)
Gain on disposal of Hua Yi Group *(note 19.2)*	**43,159**	–
Income tax expense	**(2,496)**	(334)
Profit/(loss) for the year	**40,445**	(12,658)

Change in fair value of financial liabilities at fair value through profit or loss of discontinued copper rods and cable and wire businesses amounting to HK$96,000 (2014: HK$313,000) was included in other income for the year ended 30 June 2015.

No impairment loss was recognised on the property, plant and equipment of discontinued copper rods and cable and wire businesses for the year ended 30 June 2015. Impairment loss on property, plant and equipment amounting to HK$9,461,000 was included in general and administrative expenses for the year ended 30 June 2014.

Employee benefit expense of discontinued copper rods and cable and wires businesses for the year HK$10,689,000 (2014: HK$24,608,000) included total wages and salaries of HK$9,445,000 (2014: HK$21,998,000) and total pension cost of HK$1,244,000 (2014: HK$2,610,000). Wages and salaries of HK$7,676,000 (2014: HK$18,863,000) has been included in cost of sales, HK$270,000 (2014: HK$533,000) in selling and distribution expenses and HK$1,499,000 (2014: HK$2,602,000) in general and administrative expenses. Pension cost of HK$830,000 (2014: HK$1,975,000) has been included in cost of sales and HK$414,000 (2014: HK$635,000) in general and administrative expenses.

19. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES *(Continued)*

19.2 Gain on disposal of the discontinued operations, i.e. copper rods and cable and wires businesses, for the year ended 30 June 2015 was analysed as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	77,218
Prepaid lease payment for land	9,827
Bank balances and cash	6,106
Trade receivables, other receivables, deposits and prepayments	90,874
Bills receivable	17,949
Inventories	24,349
Trade payables, other advances and accruals	(51,747)
Borrowings	(44,972)
Deferred tax liabilities	(673)
	128,931
Less: Release of exchange reserve to profit or loss upon disposal	(35,890)
	93,041
Less: Proceeds from disposal of Hua Yi Group	(136,200)
Gain on disposal of Hua Yi Group	(43,159)

Net cash inflow arising on disposal of Hua Yi Group:

	HK$'000
Cash consideration received	136,200
Less: Cash and cash equivalents disposal of	(6,106)
Net cash inflow	130,094

The cash consideration of HK$136,200,000 from the disposal of Hua Yi Group has been fully received by the Group during the year.

20. EVENTS AFTER REPORTING PERIOD

On 28 July 2015, the Company entered into a non-legally binding memorandum of understanding ("Memorandum") with Mr. Chan Hon Kiu, ("the Vendor"), which is an independent third party of the Group, in relation to the possible acquisition of a company (the "Target Company"), which is principally engaged in the business of investment, construction new and operation of liquefied natural gas ("LNG") stations. Pursuant to the Memorandum, the Vendor and the Company shall negotiate in good faith towards one another in ensuring that the formal sale and purchase agreement (the "Formal Sale and Purchase Agreement") be entered into on or before 31 October 2015. Should the Formal Sale and Purchase Agreement be materialised and completed, the Vendor shall as beneficial owner sell and the Company shall purchase entire issued share capital of the Target Company and the consideration shall be satisfied by the Company by allotment and issue of consideration shares and warrants. Details of the transaction are set out in the Company's announcement dated 28 July 2015.

On 4 September 2015, Noble Advantage Limited ("Noble Advantage"), a direct wholly-owned subsidiary of the Company, entered into a subscription agreement (the "Subscription Agreement") with Integrated Capital Investments Limited ("Integrated Capital"), which is an independent third party of the Group. Pursuant to the terms of the Subscription Agreement, Noble Advantage has agreed to subscribe for and Integrated Capital has agreed to issue, convertible bonds at the subscription price which is equal to the principal amount of the convertible bonds of HK$388,000,000. Details of the transaction are set out in the Company's announcement dated 4 September 2015.

The above events are considered as non-adjusting events under HKAS 10 "Events After the Reporting Period" and therefore do not have any impact to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the Group was engaged in four business segments, (i) manufacturing and trading of electric cycles; (ii) trading and distribution of liquor and wine; (iii) provision of money lending services; and (iv) investments in listed securities. For the year ended 30 June 2015, the Group recorded a turnover of approximately HK$49.7 million (2014: approximately HK$94.4 million). Profit for the year attributable to shareholders of the Company was approximately HK$12.1 million (2014: loss of approximately HK$41.3 million). The turnaround was mainly due to (i) the gain on change in fair value of financial assets at fair value through profit or loss and (ii) the gain on disposal of subsidiaries, which were partly offset by (a) the share-based payment expenses, (b) impairment loss on trade receivables and (c) increase in interest on corporate bonds. Basic earnings per share were approximately HK0.33 cent (2014: basic loss per share of approximately HK1.15 cents).

On 25 November 2014, the Group has disposed of the Discontinued Operations which engaged in copper rods and cable and wires business. The Discontinued Operations recorded a profit for the year ended 30 June 2015 of approximately HK$40.4 million (2014: loss of approximately HK$12.7 million). Upon the disposal, the Group recorded a gain of approximately HK$43.2 million which included in the profit for the year ended 30 June 2015. The Group will further utilise its existing resources in the development of other business segments.

Electric Cycles Business

On 29 May 2015, the Group acquired 85% equity interest in Delta Prestige Group, which was principally engaged in the research and development, manufacturing and trading of electric cycles. Delta Prestige Group currently has a portfolio of solar-powered electric cycles to meet different users' needs and increasing demand.

The electric cycles business recorded a segment loss of approximately HK$2.6 million for 1 month from the date of completion of the acquisition, i.e. 29 May 2015. Pursuant to the terms of the sale and purchase agreement dated 26 April 2015 in relation to the acquisition of electric cycles business, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of Delta Prestige Group for the year ending 30 June 2016 shall not be less than HK$100 million. The Directors are of the view that the solar-powered electric cycles would be a good substitute of traditional motorcycle which bring energy saving and cost saving for end users and expect the electric cycles business would further strengthen the revenue stream of the Group in near future.

Liquor and Wine Business

The turnover for the year ended 30 June 2015 of the liquor and wine business dropped significantly by approximately HK$57.4 million to approximately HK$33.5 million (2014: approximately HK$90.9 million) and a segment loss of approximately HK$32.7 million (2014: approximately HK$647.8 million) was recorded. The performance of the liquor and wine business for the year under review was still affected by the industrial adjustment and a number of frugality policies enforced by the Chinese government, especially the high-end liquor products. The demand of high-end liquor products remained at low level. During the year under review, the repayment capability of certain customers declined as they had requested for delay payment for their accumulated inventories and drop of sales. Taking into account of the market situation and the repayment pattern of the Group's customers, the Group has further provided impairment on the long overdue trade receivables during the year under review. The Group has adjusted its product structure from high-end liquor to wine and other alcoholic beverages and expects the turnover of the liquor and wine business will be steadily improved in coming years.

Pursuant to the terms of sale and purchase agreement dated 1 November 2012 and the supplemental agreement dated 23 January 2013 entered into between the Group and the vendor in relation to the acquisition of liquor and wine business, if the profits of the acquired liquor and wine business for the three years ended/ending 31 December 2013, 2014 and 2015 in aggregate shall be less than RMB300 million, the number of the convertible preference shares to be released to the vendor will be adjusted downward. Based on the preliminary assessment of the Company, the estimated profit of the acquired liquor and wine business for the three years ended/ending 31 December 2013, 2014 and 2015 in aggregate is likely to be lower than RMB300 million. Therefore, a gain on change in fair value of contingent share consideration payable of approximately HK$10.6 million was recognised and contingent share consideration payable was fully reversed for the year ended 30 June 2015.

Money Lending Services

As at 30 June 2015, the Group had loans receivable with principal amount of approximately HK$206.9 million (2014: approximately HK$73.7 million). The Group recorded interest income from loans receivable of approximately HK$13.8 million for the year ended 30 June 2015 (2014: approximately HK$3.5 million). All the borrowers have been carefully evaluated by the Group on their repayment capability and securities provided.

Listed Securities Investments

As at 30 June 2015, the Group managed a portfolio of listed securities with fair value of approximately HK$215.5 million (2014: approximately HK$85.5 million). During the year under review, the Group recorded a gain on fair value change of investments in listed securities of approximately HK$ 67.4 million (2014: approximately HK$134.1 million) due to favorable performance of listing securities as at the record date.

PROSPECTS

In view of the challenges in high-end liquor market in the PRC, the Group has adjusted its product structure to wine and other alcoholic beverages. Collaboration with various well-known wine and other alcoholic beverages manufacturers and increasing the publicity are the short-term targets to the Group in relation to the liquor and wine business.

Reduction of emission and save of energy were highly be aware by the global recently and the Chinese government has released a number of supportive policies to facilitate the development of the new energy sector, the Group has grasped the opportunity in stepping into the green energy industry by acquiring the electric cycles business in May 2015 successfully. Solar-powered electric cycle is one of the major products in the newly acquired electric cycles business. The Group will accelerate to promote the solar-powered electric cycles in domestic market, enhance its quality and enrich product models. It is expected that the Group will experience a rapid development in clean energy industry together with its related business.

Furthermore, the Group planned to diversify its business in construction and operation of LNG stations. On 28 July 2015, the Company entered into the Memorandum in relation to the possible acquisition of entire interest of Cosmos Rich Global Limited. Cosmos Rich Global Limited together with its subsidiaries will be engaged in construction and operation of LNG stations in the PRC. The Company will negotiate with the vendor aggressively to enter into a formal sale and purchase agreement.

Apart from the above, the Group will continue to procure the completion of the acquisition of the businesses engaged in the development and sale of new energy automobiles.

On 4 September 2015, Noble Advantage, a direct wholly-owned subsidiary of the Company entered into a subscription agreement with Integrated Capital in relation to the subscription of the 3-year 3.65% coupon convertible bonds in a principal amount of HK$388 million. Upon the full conversion of the convertible bonds, the Group will hold 95% equity interest of the direct wholly-owned subsidiary of Integrated Capital, which is established in Japan and engaged in the operation of resort in Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. The subscription provides a unique opportunity to the Group to be positioned in the Japan resort industry.

The Group foresees a good prospect with high and sustainable growth within the new energy sector and in view of recent clean energy related engagements, the Directors proposed to change the Company's name from "Guocang Group Limited" to "DeTai New Energy Group Limited" in order to reflect the Group's plan to focus on businesses in clean energy sector.

Looking ahead, the Group will continue to cautious in its investment approach on listed securities investments, closely monitor the electric cycles and liquor and wine business and money lending services and seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders.

FINAL DIVIDEND

The Board resolved not to recommend the payment of any dividend for the year ended 30 June 2015 (2014: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 30 June 2015, the Group had cash and bank balances amounting to approximately HK$179.6 million (2014: approximately HK$528.1 million) and net current assets value was approximately HK$960.7 million (2014: approximately HK$717.9 million).

The Group's gearing ratio as at 30 June 2015 was 0.14 (2014: 0.33), being a ratio of total debts, including bills payable, borrowings, corporate bonds and contingent share consideration payable under financial liabilities of approximately HK$179.7 million (2014: approximately HK$246.9 million) to the shareholders' fund of approximately HK$1,299.7 million (2014: approximately HK$747.4 million).

During the year, a direct wholly-owned subsidiary issued 3-year 8% and 10% coupon unlisted straight guaranteed bonds with principal amount of HK$102.0 million and HK$84.5 million respectively (2014: HK$15.5 million and HK$57.5 million respectively). The bonds are guaranteed by the Company.

PLEDGE OF ASSETS

As at 30 June 2015, the Group had not pledged any property, plant and equipment and prepaid lease payments for land to secure general banking facilities granted to the Group (2014: approximately HK$43.9 million). As at 30 June 2015, the Group had not pledged any bank deposits for the bank loans (2014: approximately HK$121.5 million).

Save as disclosed above, no other group assets were charged or pledged to secure any loans or borrowings.

CAPITAL STRUCTURE

On 21 January 2015, the Board granted 359,000,000 share options to the eligible participants as defined in the share option scheme adopted by the Company on 13 December 2013 at the exercise price of HK$0.32 per share.

During the year ended 30 June 2015, 182,700,000 share options were exercised and 52,700,000 share options were lapsed/cancelled.

On 29 May 2015, 700,000,000 ordinary shares were allotted and issued at an issued price of HK$0.4 per share upon the completion of the acquisition of 85% equity interest of Delta Prestige Group, which was engaged in electric cycles business pursuant to the terms of the sale and purchase agreement dated 26 April 2015.

Save as disclosed above, the Company had no other changes in capital structure during the year ended 30 June 2015.

INVESTMENT POSITION AND PLANNING

On 5 September 2014, Noble Advantage entered into a non-legally binding memorandum of understanding (the "CB MOU") with Integrated Capital, in connection with a possible subscription of convertible bonds. Pursuant to the terms of the CB MOU, a refundable deposit of HK$180 million has been paid in cash to Integrated Capital upon signing of the CB MOU. On 4 September 2015, a subscription agreement was entered into between Noble Advantage and Integrated Capital in relation to the subscription of the 3-year 3.65% coupon convertible bonds in a principal amount of HK$388 million. Integrated Capital has a direct wholly-owned subsidiary which was engaged in the operation of resort in Niseko, Hokkaido, Japan. Details of the transaction are set out in the Company's announcement dated 4 September 2015.

On 25 November 2014, the Group completed the disposal of its entire interest in Hua Yi Group, which carried out copper rods and cable and wires businesses, to an independent third party at cash consideration of HK$136.2 million. Upon the disposal, the Group's resources were reallocated to other businesses.

On 4 February 2015, the Company as purchaser entered into a sale and purchase agreement (the "SPA") with Mr. Yam Tak Cheung ("Mr. Yam") as vendor and Mr. He Yumin ("Mr. He") as executive. Both Mr. Yam and Mr. He are independent third parties of the Group. Pursuant to the terms of the SPA, (i) the Company has conditionally agreed to acquire and Mr. Yam has conditionally agreed to sell the entire issued share capital of Green Flourish Enterprises Limited ("Green Flourish") and all the liabilities, loans and obligations owing by Green Flourish and its subsidiaries at completion in an aggregate consideration of HK$193,777,200, which shall be satisfied to Mr. Yam by allotment and issue of 538,270,000 shares at an issue price of HK$0.36 per share at completion; and (ii) Mr. He has agreed to enter into a services agreement with a company to be established as a wholly foreign-owned enterprise in the PRC pursuant to the terms and conditions of the SPA at completion. Green Flourish and its subsidiaries intend to be principally engaged in new energy business including but not limited to electric vehicle business. Details of the transaction are set out in the Company's announcements dated 4 February 2015 and 4 August 2015.

On 30 March 2015, Tech Bloom Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser entered into a framework agreement with Mr. He and Ms. Zhao Yanjun (Mr. He and Ms. Zhao collectively referred to as vendors) and 深圳市星美新能源汽車有限公司 (in English, for identification purpose only, Shenzhen Xingmei New Energy Automobile Limited) ("Shenzhen Xingmei") as the target company. The vendors and Shenzhen Xingmei are independent third parties of the Group. Pursuant to the terms of the framework agreement, the purchaser agreed to acquire and the vendors agreed to sell the entire equity interest of Shenzhen Xingmei in cash consideration of RMB200 million. The business scope of Shenzhen Xingmei includes the development and sales of new energy automobiles, batteries and battery charging equipment; corporate management and advisory; and permitted operations of manufacture of new energy automobiles and batteries. Details of the transaction are set out in the Company's announcement dated 31 March 2015.

On 29 May 2015, the Group completed the acquisition of Delta Prestige Group, which was principally engaged in the research and development, manufacturing and trading of electric cycles. Pursuant to the terms of the sale and purchase agreement dated 26 April 2015 in relation to the acquisition of electric cycles business, the Company has allotted and issued 700,000,000 ordinary shares at an issue price of HK$0.4 per share to the vendor and his nominees as the consideration of the acquisition.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had no significant contingent liabilities (2014: Nil).

COMMITMENTS

As at 30 June 2015, the Group had capital commitments, which are contracted but not provided for, in respect of purchase of plant and machinery and motor vehicles amounting to approximately HK$1.5 million (2014: approximately HK$0.64 million).

EVENTS AFTER REPORTING PERIOD

Memorandum of understanding in relation to the possible acquisition of LNG stations business

On 28 July 2015, the Company entered into the Memorandum in relation to the possible acquisition of entire interest of Cosmos Rich Global Limited. Cosmos Rich Global Limited together with its subsidiaries will be engaged in construction and operation of LNG stations in the PRC. Pursuant to the terms of the Memorandum, the parties to the Memorandum shall negotiate in good faith towards one another in ensuring that a formal sale and purchase agreement will be entered into on or before 31 October 2015. Details of the transaction are set out in the Company's announcement dated 28 July 2015.

Transaction in relation to the subscription of convertible bonds

On 4 September 2015, a subscription agreement was entered into between Noble Advantage and Integrated Capital in relation to the subscription of the 3-year 3.65% coupon convertible bonds in a principal amount of HK$388 million. Integrated Capital has a direct wholly-owned subsidiary which is engaged in the operation of resort in Niseko, Hokkaido, Japan. Details of the transaction are set out in the Company's announcement dated 4 September 2015.

FOREIGN CURRENCY RISK

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had approximately 80 (2014: 480) employees in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance, and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, mandatory provident fund scheme for Hong Kong employees, state-sponsored retirement plans for PRC employees and share option scheme.

CONNECTED TRANSACTIONS

For the year ended 30 June 2015, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 30 June 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintain high standards of corporate governance. The Board believes that effective corporate governance practices are fundamental to enhance the shareholders' value and safeguard the interests of the shareholders. Accordingly, the Company has adopted sound corporate governance principles that emphasis an effective internal control and accountability to all shareholders.

During the year, the Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules except for the deviation from the code provision A.4.1 which is explained below.

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors were not appointed for a specific term as required under code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the full set of Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of the conduct for securities transactions by directors. The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all Directors, the Board confirmed that Directors of the Company had complied with the Model Code regarding directors' securities transactions during the year and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, Mr. Chiu Wai On (the Chairman of the Audit Committee), Mr. Man Kwok Leung and Dr. Wong Yun Kuen. The primary duties of the Audit Committee are to (i) review the Group's financial reporting system, the nature and scope of audit review; (ii) review the effectiveness of the system of internal control procedures and risk management; and (iii) review and monitor the external auditor's independence and objectivity. In addition, the Audit Committee discusses matters raised by the external auditor and regulatory bodies to ensure that appropriate recommendations are implemented. The Audit Committee shall meet at least twice a year.

The Audit Committee has reviewed with the management of the Company and the external auditor the Group's annual results for the year ended 30 June 2015, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SCOPE OF WORK OF BDO LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2015 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 BDO Limited on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.guocanggroup.com). The annual report will be despatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Guocang Group Limited
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 18 September 2015

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Chi Chi Hung, Kenneth; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.