CENERIC (HOLDINGS) LIMITED
新嶺域（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

2015 FINAL RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Ceneric (Holdings) Limited (the "Company") hereby announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 together with the comparative figures for the year 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2015

	Note	**2015**	2014
		HK$'000	*HK$'000* (Restated)
REVENUE	5	**92,493**	88,950
Cost of sales	8	**(8,316)**	(12,588)
Gross profit		**84,177**	76,362
Other income	7	**20,337**	76,424
Selling expenses		**(436)**	(451)
Administrative expenses		**(121,844)**	(90,883)
Finance costs	8	**(41,290)**	(29,321)
(LOSS)/PROFIT BEFORE TAX	8	**(59,056)**	32,131
Income tax credit	9	**6,264**	11,577
(LOSS)/PROFIT FOR THE YEAR		**(52,792)**	43,708
Attributable to:			
Owners of the Company		**(49,491)**	44,978
Non-controlling interests		**(3,301)**	(1,270)
		(52,792)	43,708
(LOSS)/EARNINGS PER SHARE			
— Basic	10	**HK$(2.56) cents**	HK$2.33 cents
— Diluted		**HK$(2.56) cents**	HK$2.33 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(52,792)**	43,708
OTHER COMPREHENSIVE INCOME:		
Items that may be subsequently reclassified to profit or loss:		
Changes in fair value of available-for-sale financial assets	**(11,532)**	(17,183)
Exchange differences arising on translation of foreign operations	**(2,668)**	(3,707)
Other comprehensive loss for the year, net of tax	**(14,200)**	(20,890)
Total comprehensive (loss)/income for the year	**(66,992)**	22,818
Attributable to:		
Owners of the Company	**(63,691)**	24,088
Non-controlling interests	**(3,301)**	(1,270)
	(66,992)	22,818

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As 31 December 2015

	Note	**2015** **HK$'000**	2014 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**770,175**	853,755
Prepaid land lease payments		**61,315**	63,910
Licensing rights		**79,531**	87,691
Available-for-sale financial assets	*11*	**–**	17,183
Pledged bank balances		**1,377**	1,845
Deferred tax assets	*12*	**11,456**	14,972
TOTAL NON-CURRENT ASSETS		**923,854**	1,039,356
CURRENT ASSETS			
Properties held for sale under development		**67,687**	70,201
Properties held for sale		**8,156**	9,083
Inventories		**309**	364
Trade receivables	*13*	**22,892**	6,813
Prepayments, deposits and other receivables		**6,976**	5,163
Cash and cash equivalents		**53,955**	67,454
TOTAL CURRENT ASSETS		**159,975**	159,078
TOTAL ASSETS		**1,083,829**	1,198,434
CURRENT LIABILITIES			
Trade payables, other payables and accruals	*14*	**33,352**	21,403
Finance lease payables		**45**	65
Loan and borrowings — due within one year	*15*	**3,582**	39,078
Other borrowing	*16*	**4,000**	4,000
TOTAL CURRENT LIABILITIES		**40,979**	64,546
NET CURRENT ASSETS		**118,996**	94,532

	Note	2015 HK$'000	2014 HK$'000
NON-CURRENT LIABILITIES			
Loan and borrowings — due after one year	*15*	**91,938**	127,551
Bonds	*17*	**270,574**	251,505
Deferred tax liabilities	*12*	**104,745**	113,709
TOTAL NON-CURRENT LIABILITIES		**467,257**	492,765
NET ASSETS		**575,593**	641,123
Share capital	*18*	**19,316**	19,316
Reserves		**492,141**	552,101
Equity attributable to owners of the Company		**511,457**	571,417
Non-controlling interests		**64,136**	69,706
TOTAL EQUITY		**575,593**	641,123

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ceneric (Holdings) Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office and principal place of business of the Company are Caledonian House, 69 Dr. Roy's Drive, P.O. Box 1043, George Town, Grand Cayman KY1-1102, Cayman Islands and 7/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong respectively. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group's activities mainly comprised properties development and hotel business in the People's Republic of China.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. They have been prepared under the historical cost convention except for certain financial assets which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

3. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Annual amendments to HKFRSs	Improvements to HKFRSs 2010–2012 cycle
Annual improvements to HKFRSs	Improvements to HKFRSs 2011–2013 cycle

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

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 9	*Financial instruments*[2]
HKFRS 15	*Revenue from contracts with customers*[2]
Amendments to HKFRS 11	*Accounting for acquisitions of interests in joint operations*[1]
Amendments to HKAS 1	*Disclosure initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of acceptable methods of depreciation and amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer plants*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or contribution of assets between an investor and its associate or joint venture*[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment entities: Applying the consolidation exception*[1]
Amendments to HKFRSs	*Annual improvements to HKFRSs 2012–2014 cycle*[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company do not anticipate that the application of the new and revised HKFRSs will have a material impact on the Group's consolidated financial statements.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group identifies reportable segments, on the basis of the products and services, for internal reports about components of the Group that are regularly reviewed by the chief operation decision makers for the purpose of allocating resources to segments and assessing their performances. There are three reportable operating segments identified as follows:

(a) The property development segment comprises the development and sales of properties;

(b) The hotel business segment comprises the sub-licensing rights to hotel operators and certain hotel management activities; and

(c) The corporate and other businesses segment includes general corporate expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results represent the profit or loss earned before tax before taking into account interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision makers and the board of directors for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable segment:

	For the year ended 31 December									
	Property Development		**Hotel Business**		**Corporate and other Business**		**Elimination**		**Total**	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000* (Restated)
Segment revenue:										
Sales to external customers	**1,232**	11,127	**91,261**	77,823	**–**	–	**–**	–	**92,493**	88,950
Other income	**908**	1,192	**1,880**	1,055	**4**	801	**–**	–	**2,792**	3,048
Total segment revenue	**2,140**	12,319	**93,141**	78,878	**4**	801	**–**	–	**95,285**	91,998
Amortisation of licensing rights	**–**	–	**(7,666)**	(5,465)	**–**	–	**–**	–	**(7,666)**	(5,465)
Depreciation of property, plant and equipment	**(483)**	(613)	**(74,208)**	(51,115)	**(414)**	(304)	**–**	–	**(75,105)**	(52,032)
Amortisation of prepaid land lease payments	**(74)**	(76)	**(1,927)**	(1,374)	**–**	–	**–**	–	**(2,001)**	(1,450)
Segment results	**(7,072)**	(2,388)	**(475)**	18,152	**(4,854)**	(687)	**–**	–	**(12,401)**	15,077
Reconciliation:										
Unallocated expenses									**(22,910)**	(19,626)
									(35,311)	(4,549)
Interest income									**875**	1,158
Gain on restructuring of group companies									**–**	6,480
Gain on bargain purchase									**–**	65,738
Gain on disposal of available for sale financial assets									**16,327**	–
Gain on disposal of subsidiaries									**343**	–
Acquisition related costs *(see Note 8)*									**–**	(7,375)
Finance costs *(see Note 8)*									**(41,290)**	(29,321)
(Loss)/profit before tax									**(59,056)**	32,131

Geographical information

The Group operates in two main geographical areas — Hong Kong and the People's Republic of China (excluding Hong Kong) (the "PRC").

	31 December 2015	31 December 2014
	HK$'000	*HK$'000* (Restated)
REVENUE		
— Hong Kong	**–**	–
— PRC	**92,493**	88,950
	92,493	88,950

	31 December 2015 HK$'000	31 December 2014 HK$'000
NON-CURRENT ASSETS		
— Hong Kong	**211**	134
— PRC	**910,765**	1,005,157
— Other countries	**45**	65
	911,021	1,005,356

The non-current asset information above is based on the locations of the assets and excludes financial instruments, pledged bank balances and deferred tax assets.

Information about a major customer

Sales to external customers of approximately HK$67,675,000 (2014: HK$53,719,000 (restated)) was derived from hotel business segment from a single customer.

6. REVENUE

Revenue represents income from sub-licensing of operating rights, and proceeds from the sales of properties held for sale and services rendered to external customers during the year.

	2015 HK$'000	2014 HK$'000 (Restated)
Licensing income	**91,261**	77,823
Sales of properties held for sale and rendering of services	**1,232**	11,127
	92,493	88,950

7. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Bank interest income	**875**	1,158
Gain on restructuring of group companies	**–**	6,480
Gain on bargain purchase	**–**	65,738
Gain on disposal of available for sale financial assets	**16,327**	–
Gain on disposal of subsidiaries	**343**	–
Rental Income	**1,311**	1,030
Others	**1,481**	2,018
	20,337	76,424

8. (LOSS)/PROFIT BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2015 *HK$'000*	2014 *HK$'000* (Restated)
Cost of sales		
Cost of inventories sold	**610**	600
Cost of properties sold	**40**	6,523
Amortisation of licensing rights	**7,666**	5,465
	8,316	12,588
Depreciation	**75,105**	52,032
Amortisation of prepaid land lease payments	**2,001**	1,450
Minimum lease payments under operating lease in respect of land and building	**3,148**	1,727
External auditors' remuneration		
— Audit services — for current year	**780**	763
— Audit services — under provision for previous year	**200**	345
— Taxation services	**–**	–
Employee benefit expenses (including directors' remuneration)		
— Wages and salaries	**16,612**	10,829
— Retirement benefits scheme contributions	**914**	608
Acquisition related costs	**–**	7,375
Interest Income		
Bank interest income	**(875)**	(1,158)
Other interest income	**–**	–
	(875)	(1,158)
Finance costs		
Interest on loan and borrowings	**10,646**	9,937
Interest on other borrowings	**200**	149
Interest on bonds	**11,375**	7,544
Amortisation of bonds, at amortised cost	**19,069**	11,691
	41,290	29,321
Gain on restructuring of group companies	**–**	(6,480)
Gain on bargain purchase	**–**	(65,738)
Gain on disposal of available for sale financial assets	**(16,327)**	–

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year under review. Subsidiaries in the PRC are subject to PRC Enterprise Income Tax at 25% (2014: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

	2015	2014
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	–
PRC	**–**	–
	–	–
Adjustment for prior year over-provision	**(521)**	
Deferred tax	**(5,743)**	(11,577)
Income tax credit	**(6,264)**	(11,577)

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted loss per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,931,638,040 (2014: 1,931,638,040) in issue during the year.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At 31 December 2015	At 31 December 2014
	HK$'000	*HK$'000*
Listed equity investment, at fair value Hong Kong	**–**	17,183

All the listed equity investment had been disposed at a gain of HK$16,327,000 during the year. *(see Note 8)*

12. DEFERRED TAX ASSETS AND LIABILITIES

As at 31 December 2015 and 2014, the Group's deferred tax assets and liabilities shown in the consolidated statement of financial position are as follows:

	At 31 December 2015	At 31 December 2014
	HK$'000	*HK$'000*
Deferred tax assets	**11,456**	14,972
Deferred tax (liabilities)	**(104,745)**	(113,709)

The movements in deferred tax assets/(liabilities) for the year ended 31 December 2015 were as follows:

Deferred tax assets and liabilities

	Deferred tax assets bad debt provision	Deferred tax assets Tax losses	Deferred tax liabilities Accelerated tax depreciation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015	**5,657**	**9,315**	**(113,709)**	**(98,737)**
(Charged)/credited to profit or loss	**(5,657)**	**2,436**	**8,964**	**5,743**
Exchange realignment	**–**	**(295)**	**–**	**(295)**
At 31 December 2015	**–**	**11,456**	**(104,745)**	**(93,289)**

Deferred tax assets are recognized for tax losses carry-forward to the extent that the realization of the related benefit through the future taxable profits is probable.

13. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	At 31 December 2015	At 31 December 2014
	HK$'000	*HK$'000*
Within 1 month	**6,717**	6,813
1–3 months	**16,175**	–
4–12 months	**–**	–
Over 1 year	**–**	–
	22,892	6,813

14. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	At 31 December 2015	At 31 December 2014
	HK$'000	*HK$'000*
Trade payables	**–**	–
Amount received in advance for the sales of properties held for sale	**–**	48
Other payables and accruals	**33,352**	21,355
	33,352	21,403

15. LOAN AND BORROWINGS

	At 31 December 2015 HK$'000	At 31 December 2014 HK$'000
Within 1 year	**3,582**	39,078
After 1 year but within 2 years	**91,938**	31,262
After 2 years but within 5 years	**–**	96,289
	95,520	166,629

At 31 December 2015, loan and borrowings lent by a financial institution to a subsidiary of the Group were secured by the leasehold land and buildings located in Maoming City, the PRC.

16. OTHER BORROWING

The borrowing is an unsecured loan from an independent third party.

	At 31 December 2015 HK$'000	At 31 December 2014 HK$'000
Within 1 year	**4,000**	4,000
After 1 year but within 2 years	**–**	–
After 2 years but within 5 years	**–**	–
After 5 years	**–**	–
	4,000	4,000

17. BONDS

	At 31 December 2015 HK$'000	At 31 December 2014 HK$'000
Unsecured bonds, at amortised cost		
First tranche, issued on 14 April 2014	**126,099**	117,451
Second tranche, issued on 21 May 2014	**144,475**	134,054
	270,574	251,505

All the bonds have been retired on 20 January 2016. *(see Note 23)*

18. SHARE CAPITAL

	At 31 December 2015 *HK$'000*	At 31 December 2014 *HK$'000*
Authorised:		
100,000,000,000 (31 December 2014: 100,000,000,000) ordinary shares of HK$0.01 (31 December 2014: HK$0.01) each	**1,000,000**	1,000,000
Issued and fully paid:		
1,931,638,040 (31 December 2014: 1,931,638,040) ordinary shares of HK$0.01 (31 December 2014: HK$0.01) each	**19,316**	19,316

The Company has completed a placing of shares on 20 January 2016. *(see Note 23)* Accordingly the number of issued and paid up shares of the Company has been increased to 5,681,638,040.

19. CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 December 2015 (31 December 2014: Nil)

20. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases part of its property in Maoming City, the PRC under a non-cancellable operating lease agreement, with lease terms for five years. The lease agreement requires the tenant to pay security deposit of the lease.

At 31 December 2015, the Group had total future minimum lease receivables falling due as follows:

	At 31 December 2015 *HK$'000*	At 31 December 2014 *HK$'000*
Within one year	**1,140**	1,143
In the second to fifth years, inclusive	**411**	1,624
	1,551	2,767

(b) As lessee

The Group leases certain of its office properties under operating lease commitments. Leases for properties are negotiated for terms ranging from one to five years. None of the leases includes contingent rentals.

Minimum lease payments under operating leases during the period:

	At 31 December 2015 *HK$'000*	At 31 December 2014 *HK$'000* (Restated)
Office premises	**3,148**	1,727

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 31 December 2015 HK$'000	At 31 December 2014 HK$'000
Within one year	**3,598**	2,261
In the second to fifth years, inclusive	**2,341**	3,722
	5,939	5,983

21. CONTINGENT LIABILITIES

As at 31 December 2015, the Group had contingent liabilities amounting to HK$761,000 (31 December 2014: HK$1,710,000) in respect of the buy-back guarantee in favor of banks to secure mortgage loans facilities granted to the purchasers of the Group's properties held for sales.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the accounts for the guarantees.

22. DIVIDEND

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

23. EVENTS AFTER THE REPORTING DATE

On 15 September 2015, the Company and two placing agents entered into a placing agreement pursuant to which the Company had conditionally agreed to place, through the placing agents, on a best effort basis, up to 3,750,000,000 new shares to not less than six placees who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons at the placing price of HK$0.10 per placing share. On 16 December 2015, the placing was approved, by an ordinary resolution, by the Shareholders at the Extraordinary General Meeting ("EGM") at which a specific mandate to cover the allotment and issue of the placing shares pursuant to the placing agreement was granted. On 20 January 2016, all the conditions of the placing had been fulfilled. An aggregate of 3,750,000,000 placing shares at HK$0.10 per placing share, representing a discount of approximately 36.31% to the closing price on 20 January 2016 were successfully placed and issued. The net proceeds from the placing had been applied to repay the Bonds of the Group and the remaining cash was left for the Group's general working capital. The completion of the placing took place on 20 January 2016. Details were disclosed in the announcements of the Company dated 15 September 2015, 16 December 2015 and 20 January 2016 and the circular of the Company dated 27 November 2015 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2015, the Group's revenue amounted to HK$92.5 million, compared to HK$89.0 million for 2014. The Group recorded a loss before tax of HK$59.1 million, compared to the profit of HK$32.1 million for 2014. Such loss, among other things, is mainly attributable to (i) the drop in the sales of property in 2015, (ii) the increase in administrative expenses relating to the setup of new businesses, and (iii) the one-off gains on bargain purchase relating to the acquisition of subsidiaries as well as restructuring of group companies in 2014 are no longer available in 2015. The Group's consolidated loss attributable to the owners of the Company for 2015 amounted to HK$49.5 million, compared to the profit of HK$45.0 million for 2014.

Property Development Segment

In 2015, sales of the property development segment amounted to HK$1.2 million, compared to HK$11.1 million for 2014. The drop in property sales in 2015 was mainly due to the weak demand for property in second tier cities of the PRC. Loss of the segment for 2015 was HK$7.1 million, compared to the loss of HK$2.4 million for 2014.

As at 31 December 2015, approximately 99.9% of residential units of Morning Star Villa ("MSV") and approximately 98.1% of all residential and commercial units of Morning Star Plaza ("MSP") were sold.

The Group continues focusing on the sale of completed unsold properties.

Hotel Business Segment

In 2015, the hotel business segment recorded revenue from the sub-licensing of operating right amounting to HK$91.3 million, compared to HK$77.8 million for 2014. Loss of the segment amounted to HK$0.5 million, compared to a profit of HK$18.2 million for 2014.

The Group aims at looking for persistent stream of income from the sub-licensing of operating right to hotel operator.

New Businesses

On 12 May 2015, the Company made an announcement that the Group intended to extend the scope of its existing principal activities to include the provision of a wide range of financial services by carrying out a series of regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), so as to diversify its business scope with a view to broadening the Group's revenue base and achieving better return of the Shareholders. The intended businesses will focus on the provision of asset management services, corporate finance advisory services, securities and futures brokerage services. Relevant licences for conducting Types 4, 6 and 9 regulated activities to two subsidiaries of the Company had been granted by the Securities and Futures Commission (the "SFC"). One subsidiary of Company is in the process of applying for the relevant licences/registration for Types 1, 2 and 5 regulated activities with the SFC. For the year ended 31 December 2015, the Group has invested certain amount of capital in the new businesses.

Geographical Segment

During the year, the Group did not have revenue generated from Hong Kong, and the revenue generated from elsewhere in the PRC mainly related to hotel business and property development.

REVIEW OF FINANCIAL POSITION

Overview

Non-current assets as at 31 December 2015, consisting mainly of property, plant and equipment, prepaid land lease payment, and licensing rights amounted to HK$923.9 million, compared to HK$1,039.4 million as at 31 December 2014. Current assets as at 31 December 2015 amounted to HK$160.0 million, compared to HK$159.1 million as at 31 December 2014. Current liabilities as at 31 December 2015 amounted to HK$41.0 million, compared to HK$64.5 million as at 31 December 2014. Non-current liabilities as at 31 December 2015 amounted to HK$467.3 million, compared to HK$492.8 million as at 31 December 2014.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2015, the Group's total interest bearing borrowings amounted to HK$370.1 million (31 December 2014: HK$422.2 million). The borrowings mainly comprised borrowings from a financial institution of HK$95.5 million, bonds measured at amortised costs of HK$270.6 million. As at 31 December 2015, the Group's available banking facilities not utilised is nil (31 December 2014: nil).

The Group's total equity as at 31 December 2015 was HK$575.6 million (31 December 2014: HK$641.1 million).

The Group's gearing ratio as at 31 December 2015 was 64.3% (31 December 2014: 65.9% (restated)). The gearing ratio was calculated on the basis of total interest bearing borrowings over the total equity of the Group.

As part of treasury management, the Group centralises funding for all of its operations at the Group level. The Group's foreign currency exposure relates mainly to Renminbi, which is derived from its hotel business and the sales of property units in Zhongshan, the PRC.

Capital Commitments

The Group did not have any capital commitments as at 31 December 2015 (31 December 2014: nil).

Contingent Liabilities

As at 31 December 2015, the Group had contingent liabilities amounting to HK$0.8 million (31 December 2014: HK$1.7 million). The contingent liabilities were mainly in respect of buy-back guarantees in favour of banks to secure mortgage loans granted to the purchasers of the properties developed by MSV and MSP. The Board considered that the fair value of such guarantees were insignificant.

Charges on Group Assets

As at 31 December 2015, part of the Group's leasehold land and buildings with a carrying value of HK$772.6 million (31 December 2014: HK$827.3 million) had been pledged to a financial institution to secure mortgage loans. In addition, non-current bank balances of HK$1.4 million (31 December 2014: HK$1.8 million) were pledged to banks to secure mortgage loan facilities granted to purchasers of the Group's properties held for sale. They also serve to secure the issuance of a bank guarantee in favour of a landlord under an operating lease.

Fund Raising Activities

On 18 June 2015, the Company had entered into the a placing agreement ("First Placing Agreement") with the placing agents in relation to the placing of 2,500,000,000 new shares at the placing price of HK$0.15 per placing share for the repayment of the Bonds and working capital of the Group. The maximum number of the 2,500,000,000 placing shares represent (i) approximately 129.42% of the then issued share capital of the Company as at the date of the First Placing Agreement, and (ii) approximately 56.41% of the issued share capital of the Company as enlarged by the issue of the 2,500,000,000 placing Shares. As disclosed in the announcement of the Company dated 31 August 2015, in view of the then market conditions, the placing agents and the Company entered into a termination agreement to terminate the First Placing Agreement. The placing did not proceed.

On 15 September 2015, the Company and the placing agents entered into another placing agreement ("Second Placing Agreement") pursuant to which the Company had conditionally agreed to place, through the placing agents, on a best effort basis, up to 3,750,000,000 new shares to not less than six placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at the placing price of HK$0.10 per placing share. The placing was approved by an ordinary resolution by the Shareholders at the EGM on 16 December 2015. A specific mandate to cover the allotment and issue of the placing shares pursuant to the Second Placing Agreement was granted. On 20 January 2016, all the conditions of the placing had been fulfilled and the placing was completed. An aggregate of 3,750,000,000 placing shares had been successfully placed. The net proceeds from the placing had been applied to repay the Bonds of the Group and the remaining cash was left for the Group's general working capital. Details were disclosed in the announcements of the Company dated 15 September 2015, 16 December 2015 and 20 January 2016 and the circular of the Company dated 27 November 2015 respectively.

STAFF ANALYSIS

The total number of staff employed by the Group as at 31 December 2015 was 79, compared to 74 as at 31 December 2014. As part of the Group's human resources policy, employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Currently, the Group continues to implement its overall human resource training and development programme and to equip its employees with the necessary knowledge, skills and experience to deal with the existing and future requirements and challenges.

OUTLOOK

Outlook and Plan

The economic environment in Hong Kong and China remains challenging and uncertain. Economic development in China has been slowing down even though the Chinese authorities strive to maintain GDP growth in China at approximately 7% in real terms. In response to the slow economic growth, the monetary authorities in China have had the interest rate cuts several times since late 2015. This would be one of the measures to simulate domestic consumption and demand for real estate. Look forward, such favourable measures will benefit the Group's property sales and demand for hospitality services. Along with the existing businesses, the Group will move forward to expand its businesses into financial services sector which will cover securities brokerage, corporate finance advisory, assets and wealth management through the utilization of existing and potential resources with personnel of the Group so as to bring the synergies to the businesses and maximize returns to the Company and its shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2015, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarized below:

(1) Code Provisions A.2.1 to A.2.9

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Code provisions A.2.2 to A.2.9 of the CG Code further stipulate various roles and responsibilities of the chairman.

The Company does not have a Chairman of the Board at present. It is the Board's intention to appoint the Chairman of the Board as soon as a suitable and appropriate candidate is identified.

(2) Code Provisions A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business engagements, some Non-Executive Directors (including Independent Non-Executive Directors) could not attend the annual general meeting of the Company held on 29 May 2015 and the extraordinary general meeting of the Company held on 30 July 2015. However, at the respective general meeting of the Company, there were Executive Directors and some Non-Executive Directors and Independent Non-Executive Directors present to enable the Board to develop a balanced understanding of the views of the Shareholders.

(3) Code Provision E.1.2

Code Provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration and nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate to attend. These persons should be available to answer questions at the annual general meeting.

The Company does not have a Chairman of the Board at present. It is the Board's intention to appoint the Chairman of the Board as soon as the suitable and appropriate candidate is identified. As such, no Chairman of the Board was able to attend the annual general meeting of the Company held on 29 May 2015. However, Mr. CHI Chi Hung, Kenneth, an Executive Director of the Company, took the chair of that meeting and Chairman of Audit Committee, Remuneration Committee and Nomination Committee was present thereat to be available to answer any question to ensure effective communication with the Shareholders.

Further information on the Company's corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company's 2015 Annual Report which will be sent to the Shareholders at the end of April 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the consolidated results for the year ended 31 December 2015. The Audit Committee constituted three Independent Non-Executive Directors.

DISCLOSURE OF INFORMATION OF THE STOCK EXCHANGE'S WEBSITE

The annual report of the Group for the year ended 31 December 2015 containing the relevant information required by the Listing Rules will subsequently be published on the Stock Exchange's website in due course.

By order of the Board
Ceneric (Holdings) Limited
CHI Chi Hung, Kenneth
Executive Director

Hong Kong, 29 March 2016

As at the date of this announcement, the Board comprises Mr. CHENG Wai Lam, James, Mr. CHI Chi Hung, Kenneth, Mr. MA Erqiang and Mr. WONG Kui Shing, Danny being the Executive Directors; Mr. YEUNG Kwok Leung and Mr. HUANG Zhenda being the Non-Executive Directors; and Ms. CHAN Hoi Ling, Ms. SO Wai Lam and Mr. SUNG Yat Chun being the Independent Non-Executive Directors.