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CO-PROSPERITY HOLDINGS LIMITED
協盛協豐控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 707)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "Board") of Co-Prosperity Holdings Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015, together with the comparative figures for the corresponding year in 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2015** *RMB'000*	2014 *RMB'000*
Turnover	3	**273,301**	345,762
Cost of goods sold and services provided		**(311,119)**	(302,391)
Gross (loss)/profit		**(37,818)**	43,371
Other income		**2,688**	3,711
Other expenses, gains and losses	4	**8,852**	18,705
Gain on disposal of a subsidiary	5	**57,199**	–
Impairment losses recognised in respect of property, plant and equipment		**(4,900)**	(5,236)
Reversal of impairment losses in respect of property, plant and equipment		**13,100**	10,550
Distribution and selling expenses		**(5,540)**	(6,791)
Administrative expenses		**(23,913)**	(22,693)
Finance costs	6	**(14,676)**	(18,361)
(Loss)/profit before taxation	7	**(5,008)**	23,256
Taxation	8	**(1,892)**	(2,494)
(Loss)/profit for the year		**(6,900)**	20,762

* *For identification purposes only*

	Notes	**2015** *RMB'000*	2014 *RMB'000*
(Loss)/profit for the year attributable to the owners of the Company		**(6,900)**	20,762
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
– exchange differences arising on translation		**4,663**	336
Total comprehensive (expense)/ income for the year attributable to owners of the Company		**(2,237)**	21,098

	Notes	**2015** *RMB cents*	2014 *RMB cents*
(Loss)/earnings per share	9		
– Basic		**(0.38)**	1.50
– Diluted		**(0.38)**	1.48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**2015** **RMB'000**	2014 RMB'000
Non-current assets			
Property, plant and equipment		**59,105**	55,932
Prepaid lease payments		**426**	440
		59,531	56,372
Current assets			
Inventories		**85,527**	144,297
Trade and other receivables	10	**112,412**	86,535
Loan receivables	11	**149,871**	–
Prepaid lease payments		**14**	14
Pledged bank deposits		**40,420**	52,111
Bank balances and cash		**76,196**	25,793
		464,440	308,750
Assets classified as held for sale	12	**1,576**	195,339
		466,016	504,089
Current liabilities			
Trade and other payables	13	**57,158**	27,569
Bond payables		**60,470**	–
Taxation payables		**4,290**	4,189
Short-term bank loans		**123,300**	137,200
Short-term loan from other financial institution		**2,000**	5,500
Financial guarantee contracts	14	**8,349**	16,699
		255,567	191,157
Liabilities associated with assets held for sale	12	**–**	151,898
		255,567	343,055
Net current assets		**210,449**	161,034
Total assets less current liabilities		**269,980**	217,406
Net assets		**269,980**	217,406
Capital and reserves			
Share capital	15	**186,229**	157,233
Reserves		**83,751**	60,173
Total equity		**269,980**	217,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands and acts as an investment holding company. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The address of the registered office and principal place of business of the Company is Room 2537-40, 25/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvment 2010-2012 Cycle
Annual Improvements Project	Annual Improvment 2011-2013 Cycle

The application of the new and revised 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.

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

Annual Improvements Project	Annual Improvments 2012-2014 Cycle[1]
HKAS 27 (2011) (Amendment)	Equity Method in Separate Financial Statements[1]
HKFRS 9	Financial Instruments[3]
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 10 and HKAS 28 (2011) (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants[1]
HKAS 1 (Amendment)	Disclosure Initiative[1]
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendment)	Investment Entities: Applying the Consolidation Exception[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

3 Effective for annual periods beginning on or after 1 January 2018

4 Effective for annual periods beginning on or after 1 January 2019

5 Effective for annual periods beginning on or after a date to be determined

HKFRS 9 "Financial Instruments"

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The group expects to adopt HKFRS 9 from 1 April 2018. The group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the group's financial assets. Further information about the impact will be available nearer the implementation date of the standard

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

The Group did not early adopt any of these new or revised HKASs and HKFRSs, amendments and interpretation to existing HKASs and HKFRSs. Management is currently assessing the financial impact of these revisions to the Group's financial position and performance.

3. TURNOVER AND SEGMENT INFORMATION

Turnover

Turnover represents the fair value of the consideration received or receivable from third parties for the year is summarised as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of goods from		
– sales of finished fabrics	**130,216**	185,387
– trading of goods	**3,632**	4,805
	133,848	190,192
Subcontracting services	**133,557**	155,570
Loan interest income	**5,480**	–
Securities investment	**416**	–
	273,301	345,762

Segment reporting

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

- Processing, printing and sales of finished fabrics;
- Trading of fabrics and clothing;
- Money lending; and
- Securities investment.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include trade creditors, accruals and other payables attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regrading the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Processing, printing and sales of finished fabrics – PRC		Trading of fabrics and clothing – Hong Kong		Money lending – Hong Kong		Securities investment – Hong Kong	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**263,773**	340,957	**3,632**	4,805	**5,480**	–	**416**	–
Reportable segment revenue	**263,773**	340,959	**3,632**	4,805	**5,480**	–	**416**	–
Reportable segment (loss)/profit (adjusted EBITDA)	**(32,354)**	3,647	**(198)**	(876)	**3,902**	–	**125**	–
Depreciation and amortisation for the year	**(20,929)**	(12,904)	**(19)**	(26)	**–**	–	**–**	–
Impairment of property, plant and equipment	**(4,900)**	(5,236)	**–**	–	**–**	–	**–**	–
Reversal of impairment of property, plant and equipment	**13,100**	10,550	**–**	–	**–**	–	**–**	–
Write-down of inventories	**(67,317)**	(625)	**–**	–	**–**	–	**–**	–
Reversal of write-down of inventories	**–**	4,242	**–**	–	**–**	–	**–**	–
Reportable segment assets	**271,395**	470,434	**672**	958	**149,872**	–	**54,693**	–
Additions to non-current segment assets during the year	**1,470**	11,563	**–**	18	**–**	–	**–**	–
Reportable segment liabilities	**186,231**	62,421	**3,522**	3,743	**144,366**	–	**–**	–

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and prepaid lease payments ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated the location of operations.

	Turnover		Non-current assets	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**263,773**	340,957	**52,446**	49,085
Hong Kong and overseas	**9,528**	4,805	**7,085**	7,287
	273,301	345,762	**59,531**	56,372

Information about major customers

There are no customers who individually contribute over 10% of the total revenue of the Group.

4. OTHER EXPENSES, GAINS AND LOSSES

	2015	2014
	RMB'000	*RMB'000*
Allowances for bad and doubtful debts of trade receivables	**(92)**	–
Reversals of allowances for bad and doubtful debts of trade receivables	**–**	301
Impairment loss on deposit paid to suppliers	**(4,050)**	–
Net exchange gain/(loss)	**383**	(159)
Gain on disposals of property, plant and equipment	**–**	41
Gain/(loss) on fair value changes of warrants	**–**	4,572
Income from amortisation of financial guarantee contracts	**12,611**	15,655
Research and development costs	**–**	(1,705)
	8,852	18,705

5. DISPOSAL OF SUBSIDIARIES

On 17 March 2015, the Company entered into an agreement with an independent third party (the "Purchaser") pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire in aggregate 3,000 shares in the share capital of Top Vast Holdings Limited (representing 100% of its entire then issued share capital) at a total consideration of RMB43,800,000. The principal assets of Top Vast Holdings Limited was its 100% interest in Shasing Shapheng Dyeing Co. Ltd. As at the date of the announcement dated 17 March 2015, the Group provided corporate guarantees in favour of several banks in respect of the loans granted to Shasing Shapheng Dyeing Co., Ltd. up to an aggregate amount of RMB62,000,000. Upon the completion of the disposal of Top Vast Holding Limited, the continuance of the corporate guarantee would constitute provision of financial assistance by the Group to third parties. Details of the disposal and provision of financial assistance were set out in the Company's announcement dated 17 March 2015 and the Company's circular dated 30 June 2015. The assets and liabilities disposed of at disposal date is disclosed below:

Gain from disposal of subsidiaries

The gain for the period from 1 January 2015 to 31 July 2015 from the disposed subsidiary is analysed as follows:

	2015
	RMB'000
Net assets disposed of:	
Property, plant and equipment	**37,330**
Prepaid land lease	**8,568**
Inventories	**137,531**
Trade and other receivables	**34,240**
Pledged bank deposits	**2,100**
Bank balances and cash	**407**
Trade and other payables	**(57,920)**
Taxation payable	**(200)**
Short-term bank loans	**(96,000)**
Financial guarantee contracts	**(10,350)**
Statutory surplus reserve fund	**(69,105)**
	(13,399)
Gain on disposal of a subsidiary	**57,199**
Satisfied by cash	**43,800**

6. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank borrowings wholly repayable within five years		
– bank borrowings	**12,355**	17,130
– other unsecured loan	**561**	1,231
	12,916	18,361
Effective interest expense on bond payables	**1,760**	–
	14,676	18,361

7. (LOSS)/PROFIT BEFORE TAXATION

	2015	2014
	RMB'000	*RMB'000*
(Loss)/profit before taxation has been arrived at after charging:		
Directors' remuneration	**3,343**	1,470
Other staff's retirement benefits scheme contributions	**6,097**	1,707
Other staff costs	**24,752**	31,744
	34,192	34,921
Less: Staff costs included in research and development costs	**–**	(244)
	34,192	34,677
Depreciation of property, plant and equipment	**11,456**	12,887
Less: Depreciation included in research and development costs	**–**	(334)
	11,456	12,553
Auditor's remuneration		
– current year	**755**	672
– under-provision for prior years	**–**	103
Cost of inventories recognised as expenses (including write-down of inventories amounting to RMB67,317,000 (2014: net reversal of write-down of inventories amounting to RMB3,617,000))	**306,125**	302,391
Operating lease rentals in respect of		
– prepaid lease payments	**138**	226
– rented premises	**151**	100
and after crediting:		
Government rewards and subsidies (including in other income)*	**1,436**	574
Interest income	**1,252**	2,999

* The government rewards and subsidies provided by the PRC government to the Group were paid mainly as an incentive for energy saving and organisational development of the Group. There are no conditions and contingencies attached to the receipt of the government subsidies and they are non-recurring in nature.

8. TAXATION

The charge represents PRC income tax calculated at the rates prevailing in the PRC jurisdiction. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group's operations in Hong Kong has no assessable profit for both years.

9. (LOSS)/EARNINGS PER SHARE

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

	2015	2014
	RMB'000	*RMB'000*
(Loss)/Earnings		
(Loss)/profit for the purpose of basic (loss)/earnings per share and diluted earnings per share	**(6,900)**	20,762

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	**1,832,056**	1,386,326
Effect of dilutive potential ordinary shares:		
Share options	**–**	20,000
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	**1,832,056**	1,406,326

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**25,359**	14,275
Less: Allowances for bad and doubtful debts	**(2,397)**	(2,305)
	22,962	11,970
Deposit paid to suppliers	**69,476**	74,807
Less: Allowances for bad and doubtful debts	**(6,050)**	(2,000)
	63,426	72,807
Deposit paid*	**25,131**	–
Other receivables**	**184**	281
Value-added tax recoverable	**3**	1,300
Other debtors and prepayments	**706**	177
	112,412	86,535

* On 18 September 2015, the Company entered into a memorandum (the "Memorandum") with China Culture Media International Holdings Limited ("China Culture Media") to set out the framework for negotiation on cooperation (the "Cooperation") in certain projects in relation to the remaking of several television dramas, as well as to film or develop movies, comics and mobile games relating thereto. On 21 September 2015, an advance of HK$30 million was paid to China Culture Media pursuant to the Memorandum. On 23 October 2015, the Company entered into the Programme Cooperation Agreement with China Culture Media setting out detailed terms of the Cooperation. On 13 December 2015, the Company entered into a supplemental agreement with China Culture Media in which the Company selected 1,010.75 hours television drama programmes as the Target Programmes. The agreed consideration of the Agency Rights in respect of the Target programmes was HK$30 million as at 13 December 2015. Accordingly, the advance of HK$30 million paid by the Company to China Culture Media on 21 September 2015 was used to settle the Royalty Fee in respect of the Target Programmes. Details of the transaction were set out in the Company's announcement dated 18 September 2015 and the Circular dated 22 February 2016.

** As at 31 December 2015, advances to third parties were unsecured, interest-free and repayable on demand.

Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable by 90 days of issuance.

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

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**15,043**	9,072
91 to 180 days	**6,700**	2,669
181 to 270 days	**47**	131
271 to 365 days	**41**	39
Over 365 days	**1,131**	59
	22,962	11,970

The Group has provided allowances for certain trade receivables and deposits paid to suppliers, as the directors of the Company consider the recoverability of these debts are low based on historical experience.

Management closely monitors the credit quality of trade and other receivables. Except for the abovementioned, management considers trade and other receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade receivable balances were debtors with aggregate carrying amount of RMB7,919,000 (2014: RMB2,898,000) which were past due at the reporting date for which the Group has not provided allowance because those debtors have good credit records. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which are past due but not impaired:

	2015	2014
	RMB'000	*RMB'000*
91 to 180 days	**6,700**	2,669
181 to 270 days	**47**	131
271 to 365 days	**41**	39
Over 365 days	**1,131**	59
	7,919	2,898

Movement in the allowances for bad and doubtful debts

	Trade receivables		Deposits paid to suppliers	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
At 1 January	**2,305**	2,606	**2,000**	2,000
Allowances made during the year	**92**	–	**4,050**	–
Reversals of allowances during the year	**–**	(301)	**–**	–
At 31 December	**2,397**	2,305	**6,050**	2,000

During the year ended 31 December 2015, the allowances amounted to RMBNil (2014: RMB301,000) were reversed because the related debts were settled during the year. The Group did not hold any collateral over these balances.

11. LOAN RECEIVABLES

The credit quality analysis of the loans receivable is as follows:

	2015
	RMB'000
Neither past due nor impaired – Unsecured loans	
– principal	**144,168**
– interest	**5,703**
	149,871

The Group's loan receivables, which arise from the money lending business in Hong Kong, were denominated in Hong Kong dollars. The carrying value of the loan principal and interest receivables in original currency as at 31 December 2015 amounted to HK$172,100,000 and HK$6,808,000, respectively.

The loan receivables were neither impaired nor overdue as at 31 December 2015.

The maximum exposure to credit risk at each balance sheet dates was the carrying value of the loan receivables.

All the loan receivables were entered with contractual maturity within 1 year. The Group seeks to maintain tight control over its loan receivables in order to minimise credit risk by reviewing the borrowers' financial positions.

Loan receivables were interest-bearing at rates ranging from 19.5% to 22% per annum.

Interest income of approximately RMB5,480,000 has been recognised in 'turnover' in the consolidated statement of profit or loss.

12. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

As disclosed in note 16 (f), the Group had subsequently disposed of the entire share capital of a subsidiary Shifen Development Limited and its subsidiary深圳前海世眾融資租賃有限公司.

The completion of such disposal took place on 15 January 2016. The relevant assets and liabilities of Shifen Group were classified to assets classified as held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations". Details of the relevant assets and liabilities of Shifen Group as at 31 December 2015 are as follows:

	2015
	RMB'000
Goodwill	1,576
Total assets classified as held for sale	1,576
Total liabilities associated with assets held for sale	–

On 17 March 2015, the Company entered into an agreement with the purchaser pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to acquire in aggregate 3,000 shares in the share capital of Top Vast Holdings Limited (representing 100% of its entire then issued share capital) at a total consideration of RMB43,800,000. The principal assets of Top Vast Holdings Limited was its 100% interest in Shasing Shapheng Dyeing Co. Ltd. The disposal constituted a major disposal transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange and was subject to shareholders' approval in an extraordinary meeting. No Shareholder was required to abstain from voting to approve the ordinary resolution in respect of the Agreement and the transactions contemplated there under at the extraordinary meeting. As at the date of the announcement dated 17 March 2015, the Group provided corporate guarantees in favour of several banks in respect of the loans granted to Shasing Shapheng Dyeing Co., Ltd. up to an aggregate amount of RMB62,000,000. Upon the completion of the disposal of Top Vast Holding Limited, the continuance of the corporate guarantee would constitute provision of financial assistance by the Group to third parties. Details of the disposal and provision of financial assistance were set out in the Company's announcement dated 17 March 2015.

The Company conditionally agreed to dispose of its entire interest in Shasing Shapheng Dyeing Co. Ltd. through the disposal of Top Vast Holdings Limited. The directors determined that the disposal was highly probable and thus, the relevant assets and liabilities of Top Vast Holdings Limited and Shasing Shapheng Dyeing Co. Ltd. were classified to assets classified as held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 " Non-current assets held for sale and discontinued operations". Details of the relevant assets and liabilities of Top Vast Holdings Limited and Shasing Shapheng Dyeing Co. Ltd. as at 31 December 2014 are as follows:

	2014
	RMB'000
Property, plant and equipment	41,784
Prepaid lease payments	8,691
Inventories	101,398
Trade and other receivables	39,735
Pledged bank deposits	3,200
Bank balances and cash	531
Total assets classified as held for sale	195,339
Trade and other payables	39,404
Taxation payables	83
Short-term bank loans	97,800
Financial guarantee contracts	14,611
Total liabilities associated with assets held for sale	151,898

13. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**28,940**	8,068
Bills payables – secured by pledged deposits	**–**	625
	28,940	8,693
Customers' deposits	**20,588**	17,714
Other payables and accruals	**7,630**	1,162
	57,158	27,569

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

	2015	2014
	RMB'000	*RMB'000*
0 to 90 days	**14,824**	4,188
91 to 180 days	**5,260**	1,007
181 to 270 days	**4,329**	506
271 to 365 days	**1,584**	95
Over 365 days	**2,943**	2,897
	28,940	8,693

14. FINANCIAL GUARANTEE CONTRACTS

As at 31 December 2013, the Group provided corporate guarantees to a bank in respect of short-term bank borrowings granted to Shasing-Shapheng Quanzhou amounting to RMB150,000,000 out of the total outstanding amount of RMB200,000,000. Pursuant to the corporate guarantee agreements, the Group had provided the guarantee amounting to extent of RMB150,000,000. The relevant financial guarantee contracts were initially measured at their fair values as at 31 December 2013 by an Independent valuer, American Appraisal China Limited, using present values techniques amounted to RMB46,965,000 after taking into consideration of the original corporate guarantee agreements being expired effectively on 2 January 2014 and were subsequently renewed on 2 January 2014 with maturity on 1 January 2017. In addition, a counter-indemnity in favour of the Group was executed by the buyer of Shasing-Shapheng Quanzhou (the "Buyer") on 2 January 2014, pursuant to which the Buyer undertook to indemnify the Group the liabilities arising from the above loan facilities.

15. SHARE CAPITAL

	Authorised	
	Number of shares	**Amount**
	'000	*HK$'000*
Ordinary shares of HK$0.10 each – at 1 January 2014, 31 December 2014 and 31 December 2015	7,000,000	700,000

	Issued and fully paid		
	Number of shares	**Amount**	**Amount**
	'000	*RMB'000*	*HK$'000*
Shares in the consolidated statement of financial position			
– at 1 January 2014 and 31 December 2014	1,171,500	117,055	117,150
Exercise of warrants *(note a)*	227,000	18,003	22,700
Placement of new shares *(note b)*	279,700	22,175	27,970
– at 31 December 2014	1,678,200	157,233	167,820
Exercise of share options *(note c)*	19,000	1,502	1,900
Placement of new shares *(note d)*	338,840	27,494	33,884
– at 31 December 2015	2,036,040	186,229	203,604

Notes:

(a) For the year ended 31 December 2014, 227,000,000 warrants had been exercised at the exercise price at HK$0.14. These shares ranked pari passu with other shares in issue in all aspect.

(b) On 28 October 2014, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place 279,700,000 new shares at the price of HK$0.16 per placing share (the "placing price"). On 13 November 2014, a total of 279,700,000 new shares were successfully placed at the placing price. Accordingly, 279,700,000 shares of HK$0.1 each were issued at a premium of HK$0.06 each. The premium on issue of shares of approximately HK$16,782,000 net of transaction cost of approximately HK$1,308,000, was credited to the share premium account. These shares rank pari pasu in all respects with the existing shares.

(c) For the year ended 31 December 2015, 19,000,000 share options had been exercised at the exercise price of HK$0.227. These shares ranked pari passu with other shares in issue in all aspect.

(d) On 13 July 2015, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place 338,840,000 new shares under general mandate at the price of HK$0.45 per placing share (the "2015 placing price"). On 31 July 2015, a total of 338,840,000 new shares were successfully placed at the 2015 placing price. Accordingly, 338,840,000 shares of HK$0.1 each were issued at a premium of HK$0.35 each. The premium on issue of shares of approximately HK$114,632,000 net of transaction cost of approximately HK$3,962,000, was credited to the share premium account. These shares rank pari pasu in all respects with the existing shares.

(e) By an ordinary resolution passed at the extraordinary general meeting on 9 March 2016, the authorised share capital of the Company was thereby increased from HK$700,000,000 divided into 7,000,000,000 shares of the Company (the "Share(s)") to HK$2,000,000,000 divided into 20,000,000,000 Shares by the creation of an additional 13,000,000,000 new Shares.

16. EVENTS AFTER THE REPORTING PERIOD

(a) Placing of new shares under specific mandate ("Share Placing")

On 23 October 2015, the Company entered into a share placing agreement (as subsequently supplemented by the Supplemental Share Placing Agreement dated 13 December 2015 and the Second Supplemental Share Placing Agreement dated 1 February 2016) (the "Share Placing Agreements") with Haitong International Securities Company Limited ("Haitong Securities"). Pursuant to the Share Placing Agreements, Haitong Securities conditionally agreed to place, on a best effort basis, up to an aggregate of 600,000,000 new Ordinary Shares of the Company to not less than six placees at a price of not less than HK$0.20 per placing share. As at the date of this announcement, the Share Placing has not been completed.

(b) Placing of convertible bonds under specific mandate ("CB Placing")

On 23 October 2015, the Company entered into a convertible bonds placing agreement (as subsequently supplemented by the Supplemental CB Placing Agreement and the Second Supplemental CB Placing Agreement) (collectively the "CB Placing Agreements") with China Everbright Securities (HK) Limited ("China Everbright Securities"). Pursuant to the CB Placing Agreements, China Everbright Securities conditionally agreed to place, on a best effort basis, the placing bonds ("Placing Bonds") with a principal amount of up to HK$120,450,000 to not less than six CB Placees with a Conversion Price not less than HK$0.22 per Conversion Share. The converitible bonds carried interest of 8% per annum, and wholly or partly convertible to ordinary shares of the Company from the date of issue to 3 years from the date of issue provided that the conversion of the Placing Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Placing Bonds which exercised the conversion rights, represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; or (ii) does not reduce the public float of the Shares to less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares. As at the date of this announcement, the CB Placing has not been completed.

(c) Subscription of new shares under specific mandate ("Subscription")

On 23 October 2015, the Company entered into a share subscription agreement (as subsequently supplemented by the Supplemental Share Subscription Agreement and the Second Supplemental Share Subscription Agreement) (collectively the "Share Subscription Agreements") with Honghu Capital Limited. Pursuant to the Share Subscription Agreements, the Company conditionally agreed to allot and issue and Honghu Capital conditionally agreed to subscribe for, the Subscription Shares ("Subscription Shares") at the subscription price of HK$0.20 per Subscription Share for 300,000,000 Subscription Shares.

Honghu Capital was interested in 345,100,000 ordinary shares, representing approximately 16.95% of the total issued share capital of the Company at the date of the completion and thus was a substantial shareholder of the Company. Therefore, Honghu Capital was a connected person under Chapter 14A of the Listing Rules. Accordingly, the Subscription constituted a non-exempt connected transaction for the Company under the Listing Rules and was subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As at the date of this announcement, the Subscription has not been completed.

The estimated total gross proceeds and net proceeds from the Share Placing, CB Placing and the Subscription will be approximately HK$300.45 million and HK$294.93 million respectively. The Company intends to use all such net proceeds for the grant of a loan to China Culture Media (the "Loan").

(d) The Loan

On 23 October 2015, Rende Finance Limited (the "Lender"), being an indirect wholly-owned subsidiary of the Company, China Culture Media, as the Borrower, and Mr. Si Rongbin, as the Guarantor, entered into a loan agreement (as subsequently supplemented by the Supplemental Loan Agreement dated 13 December 2015) (the "Loan Agreement"), pursuant to which the Lender conditionally agreed to grant a loan of HK$300 million to China Culture Media for a term of 36 months carrying interest rate of 12% per annum for acquisition of debts of ATV. As at the date of this announcement, the Loan has not been granted.

(e) Programme cooperation agreement

On 9 March 2016, the Share Placing, the CB Placing, the Subscription, the Loan Agreement and the programme cooperation agreement entered into among the Company, China Culture Media and ATV in relation to, among others, the detailed terms of cooperation on remaking of the Programmes dated 23 October 2015 ("Programme Cooperation Agreement") were approved by the independent shareholders of the Company.

(f) Disposal of Shifen Development Limited and its subsidiary

On 16 December 2015, the Group entered into an agreement with an independent third party (the "Purchaser") pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the entire issued share capital of Shifen Development Limited ("Shifen") and its subsidiary, 深圳前海世眾融資租賃有限公司 (collectively referred to as the "Shifen Group") and a loan, being the entire amount of the shareholders' loan owing by Shifen to the Company ("Sales Loan") on the completion date of disposal at an aggregate consideration of HK$2,100,000. The completion of such disposal took place on 15 January 2016.

(g) Disposal of Competent Faith Limited

On 25 January 2016, the Group entered into a conditional sales and purchase agreement with an independent third party (the "Purchaser") pursuant to which the Group conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the entire share capital of Competent Faith Limited and a loan, being the entire amount of the shareholders' loan owing by Competent Faith Limited ("Sales Loan") on the completion date of disposal at an aggregate consideration of HK$30 million. The completion of such disposal took place on 21 March 2016.

BUSINESS REVIEW

For the fabrics and trading business, the Group continued to face a tough operating environment in 2015. In light of the expected slowdown in the global demand of yarn and textile and increasing trend of production cost, as well as the impact brought by increasingly stringent environment protection requirements applicable during the manufacturing process, the Group decided to control the operation costs through streamlining the operation. In this connection, the Group has disposed one of the production plants (the "Disposal Group") during the year. The Disposal Group comprised two wholly owned subsidiaries of the Company namely Top Vast Holdings Limited and Shasing Shapheng Dyeing Co. Limited. Given the history of loss-making operation of the Disposal Group in the previous years and that the prospects of the Disposal Group were not promising, the Group had disposed the Disposal Group at the end of July 2015. We considered such disposal has contributed to the streamlining and cost control of the Group.

For the year 2015, the turnover contributed by the fabrics and trading business was approximately RMB267,405,000 (2014: RMB345,762,000), representing a decrease of 22.7% from the previous year. The group recorded a decrease in turnover as compared to last year because of the disposal of production plant and the impact of weakening global demand in the textile industry. The Group recorded a gross loss of RMB37.8 million (2014: gross profit RMB43.3 million), representing a decrease of 187% from the previous year. Due to the change of market condition, substantial slow moving inventory items were written off during the year. In addition, the Group recorded a segment loss (adjusted EBITDA) of approximately RMB32,552,000 as compared to a profit (adjusted EBITDA) of approximately RMB2,771,000 in fabrics and trading business last year. We anticipated the fabric industry will undergo a process of consolidation and we will adopt stringent cost control measures to counteract the adverse impact.

The Group has been exploring business opportunities in order to diversify the Group's existing businesses and expand into new businesses. During the year, the Group commenced the money lending business which provided stable interest income to the Group. All the borrowers have been carefully evaluated by the Group on, among other things, their repayment capability, professional and financial status, and securities provided, if any. For the year of 2015, the turnover contributed by the money lending business was RMB5,480,000 with a profit (adjusted EBITDA) of RMB3,902,000. We will continue to develop money lending business as such new business will provide opportunities for the Company to increase the turnover and profit for the Group.

In order to broaden the Group's investment strategy, the Group has also developed the securities investment business. The Group has managed a portfolio of listed securities in Hong Kong and has recorded a realised fair value gain on the financial assets of approximately RMB416,000.

OPERATION AND FINANCIAL REVIEW

During the year ended 31 December 2015, the Group engaged in three business streams including (i) the processing, printing and sales of finished fabrics business and the trading of fabric and clothing business ("Fabrics and Trading Business"); (ii) the money lending business and (iii) the securities investment business.

Fabrics and Trading Business

The Group principally engaged in the sale of finished fabrics, the provision of fabrics processing subcontracting services and the trading of goods to customers.

As a result of the continuous slowdown of the global economy, impact brought by the increasing stringent environmental protection requirements applicable during the manufacturing process, and the surging costs in manufacturing sector in China, the overall outlook of finished fabrics sector remains rather challenging.

Taking into consideration of the global economic trend, exchange rate fluctuations and fierce competition in the global market, the Group decided to take appropriate streamlining measures including disposals of loss making operations and written down of slow moving inventory items.

For the disposal of the Disposal Group, the Group recorded a gain of approximately RMB57 million in the financial year ended 31 December 2015. The Group will take stringent cost control measures and further utilise its existing resources to improve the efficiency of operation as well as to support the development of other business segments.

Money Lending Business

During the year under review, the Group obtained a money lender license in Hong Kong under the Money Lenders Ordinance. The Group has been granting loans since October 2015. As at 31 December 2015, the loan balances were approximately RMB149 million (2014: Nil) with terms of three months to one year at effective interest rates ranging from 19.5% to 22% per annum. For the year ended 31 December 2015, the Group has recorded interest income from the loan portfolio for approximately RMB5.48 million (2014: Nil).

Securities Investment Business

During the year under review, the Group managed a portfolio of securities listed in Hong Kong, the Group recorded a gain on fair value change of investments in listed securities of approximately RMB416,000 (2014: Nil) due to favorable performance of listing securities. As at 31 December 2015, fair value gain on investment was realised and the Group did not hold any securities portfolio.

FUTURE PROSPECTS

The operating environment of the textile industry faced by the Group is expected to remain very challenging in the year ahead. The Group will continue to monitor its operations and the market condition closely, and if necessary and appropriate, may adjust its existing businesses and operating assets for optimisation of resources and maximisation of return of capital. Furthermore, the Group will continue to adhere to its proactive operating style to improve profit margin of the fabrics and trading businesses.

For the money lending business, the Group has established the Investment Committee and Credit Committee to, among other things, review and approve all loan applications. In addition, the Group has set up internal control such as money lending policy and procedures manual as guidelines in handling credit risks and monitoring the procedures pursuant to the applicable laws and regulations. We expects the money lending business will generate stable interest income to the Group.

In order to explore and capitalise other potential opportunities in the market to enhance the interests of shareholders, the Group also intends to develop new business in the advertising, cultural, media and entertainment industry as we have noticed the rapid development and remarkable growth of this industry and also the opportunities and potentials of developing relevant products to the market. On 18 September 2015, the Company entered into a non-legally binding memorandum with China Culture Media to set out the framework for negotiation on cooperation in certain projects in relation to the remaking of several television dramas, as well as to film or develop movies, comics and mobile games relating thereto. On 23 October 2015, the Company, China Culture Media and Asia Television Limited ("ATV") entered into the Programme Cooperation Agreement, pursuant to which the parties together would invest and develop certain programmes with copyrights owned by ATV and remake certain programmes into television programmes or movies. In addition, on 15 December 2015, the Group entered into two memorandums with Beijing Huayi Brothers Culture Development Company Limited ("HB Culture") and Beijing Huayi Brothers Music Corporation Limited ("HB Music") respectively, pursuant to which the Group would enjoy the priority rights to invest in the relevant cultural and entertainment product projects as conducted by HB Culture and MB Music until 31 December 2016. We believe that these projects have tremendous potential and can bring considerable profits and benefits to the Group.

For the securities business, the Group recognises the uncertain and volatile market sentiment in the stock market and will continue to exercise due professional care in selecting investment targets.

With the concerted efforts of the management and the staff of the Group, we are fully confident and optimistic about the Group's future growth and outlook.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group had total assets of approximately RMB525.5 million (2014: RMB560.5 million) which were financed by current liabilities of approximately RMB255.6 million (2014: RMB343.1 million) and shareholders' equity of approximately RMB269.9 million (2014: RMB217.4 million).

As at 31 December 2015, the Group's cash and bank balances was approximately RMB76.2 million (2014: RMB25.8 million), while pledged bank deposits amounted to RMB40.4 million (2014: RMB52.1 million). As at 31 December 2015, the short-term bank loans and short-term loan from other financial institution included variable-rate and fixed-rate loans and were denominated in Renminbi, while the secured bonds were fixed-rate and were denominated in Hong Kong dollars.

The Group maintained a healthy liquidity position. The current ratio, being a ratio of total current assets to total current liabilities, was approximately 1.8 (2014: 1.5). The gearing ratio, being a ratio of borrowings (comprising (i) short-term bank loans, (ii) short-term loan from other financial institution and (iii) secured bonds as at 31 December 2015 to shareholders' equity, was 68.8% (2014: 65.6%). The Group continues to adopt a conservative approach in its financial management.

CAPITAL STRUCTURE

As at 31 December 2015, the Company's authorised share capital was HK$700,000,000 divided into 7,000,000,000 shares of HK$0.1 each, of which 2,036,040,000 ordinary shares were in issue and fully paid.

Issue of shares under share option scheme

During the year ended 31 December 2015, 19,000,000 share options were exercised at an exercise price of HK$0.227.

Placing of shares under general mandate

On 31 July 2015, the Company had issued and allotted 338,840,000 ordinary shares at the placing price of HK$0.45 each to not less than six allottees. The net proceeds of approximately HK$148 million was intended to be used as general working capital.

Placing of shares under specific mandate, Placing of convertible bonds under specific mandate and Subscription of new shares under specific mandate

Details of the Share Placing, the CB Placing and the Subscription were set out in note 16(a), (b) and (c) to this announcement, the company's announcements dated 16 October 2015, 26 October 2015, 13 December 2015, 25 January 2016, 1 February 2016, 17 February 2016, 9 March 2016 and the Company's Circular dated 22 February 2016.

Increase in authorised share capital

On 9 March 2016, an ordinary resolution relating to the authorised share capital of the Company was increased from HK$700,000,000 to HK$2,000,000,000 by the creation of additional 13,000,000,000 new shares of HK$0.1 each.

Issue of an one-year 15% coupon secured bonds in the principal amount of HK$70,000,000

On 15 October 2015, the Company issued to Harvest Bloom Limited one-year 15% coupon secured bonds in the principal amount of HK$70,000,000 to be secured by the share charge executed by Widerlink Group Limited in favour of Harvest Bloom over the entire issued share capital of Co-Prosperity Limited (an indirect wholly-owned subsidiary of the Company and an investment holding company).

CHARGES ON GROUP ASSETS

As at 31 December 2015, the Group's borrowings were secured by assets with a total carrying value of approximately RMB167.5 million (2014: RMB119.4 million).

Save for disclosed above and the share charge in relation to the secured bonds as disclosed in the section Capital Structure, the Group does not have other charges on the Group assets.

CAPITAL EXPENDITURES

As at 31 December 2015, the Group has no capital commitments (2014: Nil) in respect of purchases of property, plant and equipment.

CONTINGENT LIABILITIES AND EXCHANGE RISK EXPOSURE

As at 31 December 2015, the Group had contingent liabilities of approximately RMB8.3 million in respect of corporate guarantees given to a bank for short-term bank borrowings granted to Shasing-Shapheng (Quanzhou) Textile Industrial Co., Ltd., a former indirect wholly-owned subsidiary of the Company.

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the 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 action to reduce the exchange risk.

MATERIAL ACQUISITIONS AND DISPOSALS OF THE GROUP

On 31 July 2015, the Group completed the disposal of the entire share capital of Top Vast Holdings Limited ("Top Vast"), an indirectly wholly owned subsidiary of the Company, to an independent third party at the cash consideration of HK$43.8 million Top Vast was an investment holding company holding 100% equity interest in Shasing Shapheng Dyeing Co. Limited, a wholly foreigned owned enterprise in the PRC which were engaged in the Fabrics and Trading Business. The major assets of the disposed subsidiaries were production plants and the land use right in the land located in Shishi City, Fujian, PRC. Upon the disposal, the Group used the proceeds as general working capital for the remaining Group. For details, please refer to the Company's announcement dated 17 March 2015 and the Circular dated 30 June 2015.

Pursuant to a sale and purchase agreement dated 15 December 2015, the Group disposed of Shifen Development Limited ("Shifen") for a consideration of HK$2.1 million. The Group acquired Shifen in March 2015 for a consideration of HK$2 million. Shifen was an investment holding company holding 100% equity interest in Shenzhen Qianhai Shizhong Finance Leasing Company Limited, a wholly foreign owned enterprise established in the PRC which was principally engaged in the business of finance leasing. As the Group would like to focus on the development of its existing principal business and the new businesses in the advertising, media and entertainment industry and money lending business, it decided to dispose of its finance leasing business which was inactive since the acquisition of Shifen in March 2015. This disposal was completed on 15 January 2016.

In view of the current market condition of the property market in Hong Kong and the trend thereof, on 25 January 2016, Widerlink Group Limited ("Widerlink"), a wholly-owned subsidiary of the Company and Smart Right Global Investment Limited, an independent third party, entered into a share sale agreement pursuant to which Widerlink disposed of the entire share capital of Competent Faith Limited ("Competent Faith"), a wholly owned subsidiary of Widerlink at a cash consideration of HK$30 million. Competent Faith owned an office premises in Hong Kong with a total gross floor area of approximately 5,300 sq. ft. For details, please refer to the Company's announcement dated 25 January 2016. The disposal was completed on 21 March 2016.

EMPLOYMENT

As at 31 December 2015, the Group had about 700 employees (2014: 1,100 employees) in Hong Kong and in the PRC.

Remuneration packages for the employees were maintained at a competitive level of the jurisdiction within which the employees were employed to attract, retain and motivate the employees and were reviewed periodically.

In addition, during the year the Group maintained a share option scheme for the purpose of providing incentives and rewards to the eligible participants for their contributions to the Group. The share option scheme was expired in March 2016.

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 16 to this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the reporting period ended 31 December 2015, neither the Company, nor any of its subsidiaries, had repurchased, sold or redeemed any of its listed shares.

DIVIDEND

The Board does not recommend any payment of final dividend (2014: Nil) for the year.

DIRECTORS' COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries, all Directors confirmed that they have complied with the required standard set out in the Model Code.

CORPORATE GOVERNANCE

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in the interest of its shareholders. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company (the "Shareholders").

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

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Mr. Sze Siu Hung did not attend the annual general meeting of the Company held on 12 June 2015 due to other work commitments.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") comprised three independent non-executive director, Mr. Cheung Ngai Lam, Ms. Tao Feng and Ms. Han Xingxing. Mr. Cheung Ngai Lam is the chairman of the Audit Committee. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2015 have been reviewed by the Audit Committee.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in respect of his/her independence during the year under review pursuant to rule 3.13 of the Listing Rules. All the independent non-executive Directors continue to be independent.

SCOPE OF WORK OF MOORE STEPHENS CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore Stephens CPA Limited in respect of this announcement 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 Moore Stephens CPA Limited on this announcement.

APPRECIATION

Finally, on behalf of the Board, the Company would like to take this opportunity to express it's sincere gratitude to the Directors and all the staff who have contributed their time and efforts to the Group's business operation and to the Shareholders for their supports to the Company.

By order of the Board
Co-Prosperity Holdings Limited
Tang Hon Kwo
Chairman

Hong Kong, 29 March 2016

As at the date of this announcement, the Board comprises Mr. Tang Hon Kwo, Mr. Ip Ka Po, Mr. Sze Siu Bun and Mr. Ma Zhi as executive Directors; Ms. Tao Feng, Ms Han Xingxing and Mr. Cheung Ngai Lam as independent non-executive Directors.