China Chuanglian Education Group Limited
中國創聯教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2371)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS HIGHLIGHTS

	For the year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Reported financial information		
Revenue	**97,281**	76,906
Gross profit	**62,517**	52,705
(Loss) profit before tax	**(293,896)**	28,494
(Loss) profit attributable to owners of the Company	**(298,658)**	24,233
Basic (loss) earnings per share *(RMB' cents)*	**(6.69)**	0.58
Adjusted financial information#		
Profit before tax	**20,125**	30,266
Profit attributable to owners of the Company	**15,363**	26,005
Basic earnings per share *(RMB' cent)*	**0.34**	0.62

Adjusted financial information refers to activities for the period excluding share-based payments and impairment losses charged / reversed.

The board (the "Board") of directors (the "Directors") of China Chuanglian Education Group Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015, together with the comparative audited figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** *RMB'000*	2014 RMB'000
Revenue	3	**97,281**	76,906
Cost of sales and services		**(34,764)**	(24,201)
Gross profit		**62,517**	52,705
Other income	4	**7,818**	4,706
Selling and marketing expenses		**(19,008)**	(11,399)
Administrative expenses		**(57,426)**	(34,609)
Impairment loss on goodwill		**(295,433)**	–
Impairment loss on associates		**(1,643)**	–
Gain on disposal of subsidiaries		**–**	17,690
Unrealised gain on fair value change of held for trading investments		**9,624**	–
Share of result of associates		**(3)**	(209)
Finance costs	5	**(342)**	(390)
(Loss) profit before tax		**(293,896)**	28,494
Income tax expenses	6	**(2,753)**	(4,559)
(Loss) profit for the year	7	**(296,649)**	23,935
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation and other comprehensive income for the year		**6,796**	6,403
Total comprehensive (expenses) income for the year		**(289,853)**	30,338
(Loss) profit for the year attributable to:			
Owners of the Company		**(298,658)**	24,233
Non-controlling interests		**2,009**	(298)
		(296,649)	23,935
Total comprehensive (expenses) income for the year attributable to:			
Owners of the Company		**(291,862)**	30,636
Non-controlling interests		**2,009**	(298)
		(289,853)	30,338
(Loss) earnings per share	9		
Basic and diluted (RMB cent(s))		**(6.69)**	0.58

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	**2015** *RMB'000*	2014 *RMB'000*
Non-current assets			
Plant and equipment		**4,936**	5,534
Intangible assets	10	**92,599**	102,483
Goodwill	11	**83,419**	378,852
Interests in associates		**1,195**	841
Prepayment for acquisition of plant and equipment		**10,651**	–
		192,800	487,710
Current assets			
Trade and other receivables	12	**102,632**	80,104
Amount due from non-controlling interest holder		**–**	–
Held for trading investments		**28,000**	–
Bank balances and cash		**191,776**	83,361
		322,408	163,465
Current liabilities			
Trade and other payables	13	**43,705**	41,752
Amount due to a shareholder		**188**	30
Income tax payable		**12,433**	12,843
Bank borrowings		**4,990**	5,000
		61,316	59,625
Net current assets		**261,092**	103,840
Total assets less current liabilities		**453,892**	591,550
Capital and reserves			
Share capital		**38,786**	34,920
Reserves		**386,969**	529,526
Equity attributable to owners of the Company		**425,755**	564,446
Non-controlling interests		**5,334**	2,241
Total equity		**431,089**	566,687
Non-current liability			
Deferred tax liability		**22,803**	24,863
		453,892	591,550

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

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

2. APPLICATION OF NEW AND REVISED HKFRSs AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

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.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

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

[1] Effective for annual periods beginning on or after 1 January 2016.

[2] Effective for annual periods beginning on or after 1 January 2018.

[3] Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements ‘if not disclosed elsewhere in the interim financial report’. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group’s consolidated financial statements.

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

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue;

ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group’s consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments provide guidance on addressing the acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its joint venture and associate. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that constitutes or contains a business to a joint venture or associate in full. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that does not constitute or contain a business to a joint venture or associate only to the extent of the unrelated investors' interests in that joint venture or associate.

The effective date of amendments to HKFRS 10 and HKAS 28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgment in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for services rendered net of sales related taxes. The following is an analysis of the Group's revenue for the year:

	2015	2014
	RMB'000	*RMB'000*
Media business consultancy and TV programmes distribution income	**10,389**	7,378
Educational consultancy and online training and education services income	**86,892**	69,528
	97,281	76,906

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

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

1. Advertising media – provision of advertising services in respect of placing advertisements on the outdoor billboards and light-emitting diode ("LED") screens of the Group to advertisers and advertising agencies;

2. Other media – provision of consultancy and media business operation services and TV programmes distribution services;

3. Securities trading – trading of financial assets at fair value through profit or loss; and

4. Educational consultancy and online training and education – provision of educational consultancy services and online training and education services.

Segment revenue and results

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

For the year ended 31 December 2015

	Advertising media *RMB'000*	**Other media** *RMB'000*	**Securities trading** *RMB'000*	**Educational consultancy and online training and education** *RMB'000*	**Total** *RMB'000*
REVENUE					
External sales	–	10,389	–	86,892	97,281
Segment (loss) profit	(1,345)	10,276	9,624	(279,052)	(260,497)
Unallocated other income					1,020
Unallocated corporate expenses					(34,419)
Loss before tax					(293,896)

For the year ended 31 December 2014

	Advertising media *RMB'000*	Other media *RMB'000*	Securities trading *RMB'000*	Educational consultancy and online training and education *RMB'000*	Total *RMB'000*
REVENUE					
External sales	–	7,378	–	69,528	76,906
Segment profit	32	6,097	–	23,199	29,328
Gain on disposal of subsidiaries					17,690
Unallocated other income					511
Unallocated corporate expenses					(18,945)
Finance costs					(90)
Profit before tax					28,494

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments, interest income, write back of other payables, impairment loss on other receivables, loss on derecognition of other receivables, gain on disposal of subsidiaries, certain finance costs, certain write off of other receivables and depreciation of certain plant and equipment. This is the measure reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

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

	2015	2014
	RMB'000	*RMB'000*
Segment assets		
Advertising media	**86**	307
Other media	**75,572**	69,905
Securities trading	**39,054**	–
Educational consultancy and online training and education	**191,984**	475,708
Total segment assets	**306,696**	545,920
Unallocated corporate assets	**208,512**	105,255
Consolidated assets	**515,208**	651,175
Segment liabilities		
Advertising media	**11,759**	11,228
Other media	**11,094**	17,154
Securities trading	**–**	–
Educational consultancy and online training and education	**23,892**	16,455
Total segment liabilities	**46,745**	44,837
Unallocated corporate liabilities	**37,374**	39,651
Consolidated liabilities	**84,119**	84,488

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

- all assets are allocated to operating segments other than certain plant and equipment, certain other receivables, and bank balances and cash; and

- all liabilities are allocated to operating segments other than certain other payables, amount due to a shareholder, income tax payable, deferred tax liability and certain bank borrowings.

Other segment information

For the year ended 31 December 2015

	Advertising media *RMB'000*	Other media *RMB'000*	Securities trading *RMB'000*	Educational consultancy and online training and education *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	1	–	–	17,763	–	17,764
Depreciation and amortisation	177	12	–	13,993	836	15,018
Loss on disposal of plant and equipment	–	–	–	12	391	403
Write back of trade and other payables	(205)	–	–	–	–	(205)
Share of result of associates	–	–	–	3	–	3
Loss on derecognition of other receivables	–	–	–	–	1,705	1,705
Reversal of impairment loss on trade and other receivables	–	(531)	–	–	–	(531)
Interest in associates	–	–	–	1,195	–	1,195
Recovery of written off on trade and other receivables	–	(1,305)	–	–	–	(1,305)
Impairment loss on goodwill	–	–	–	295,433	–	295,433
Impairment loss on associates	–	–	–	1,643	–	1,643
Unrealised gain on fair value change of held for trading investment	–	–	(9,624)	–	–	(9,624)
Interest expenses	963	342	–	–	–	1,305
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:						
Interest income	–	–	–	–	(1,020)	(1,020)
Share-based payment expenses	–	–	–	–	17,476	17,476
Income tax expense	–	258	–	2,495	–	2,753

For the year ended 31 December 2014

	Advertising media *RMB'000*	**Other media** *RMB'000*	**Securities trading** *RMB'000*	**Educational consultancy and online training and education** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to non-current assets	–	–	–	2,581	–	2,581
Depreciation and amortisation	601	14	–	14,321	1,435	16,371
Loss on disposal of plant and equipment	2	–	–	–	–	2
Impairment loss on plant and equipment	570	–	–	–	–	570
Impairment loss on intangible assets	368	–	–	–	–	368
Write off of trade and other payables	(3,410)	–	–	–	–	(3,410)
Share of result of associates	–	–	–	209	–	209
Impairment loss on trade and other receivables	112	–	–	–	–	112
Write off of other receivables	–	805	–	–	735	1,540
Reversal of impairment loss on trade and other receivables	–	(535)	–	–	–	(535)
Interest in associates	–	–	–	841	–	841
Interest expenses	–	300	–	–	90	390
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:						
Interest income	–	–	–	–	(511)	(511)
Share-based payment expenses	–	–	–	–	1,257	1,257
Income tax expense	–	1,595	–	2,964	–	4,559

Geographical information

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

Information about the Group's revenue from external customers is presented based on the location of the operations and all of the Group's revenue are from the PRC for both years. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets	
	2015	2014
	RMB'000	*RMB'000*
PRC	**192,059**	485,643
Hong Kong	**741**	2,067
	192,800	487,710

Information about major customers

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

	2015	2014
	RMB'000	*RMB'000*
Customer A[1]	**14,663**	9,199
Customer B[1]	**12,200**	8,112
Customer C[1]	**10,009**	10,134

1 Revenue from educational consultancy and online training and education.

4. OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
Reversal of impairment loss on trade and other receivables	**531**	535
Recovery of written off on trade and other receivables	**1,305**	–
Bank interest income	**910**	511
Other interest income *(Note a)*	**110**	–
Government subsidies *(Note b)*	**100**	74
Write back of trade and other payables	**205**	3,410
Financial consultancy fee income	**3,812**	–
Net foreign exchange gain	**845**	–
Others	**–**	176
	7,818	4,706

Notes:

(a) Other interest income was arising from loan to on individual third party during the year ended 31 December 2015. The loan carried fixed rate interest at 6% per annum and had been fully settled in April 2015.

(b) Government subsidies were designated for the encouragement of creative media business development incentive. All conditions in respect of these grants had been fulfilled and such government grants were recognised in other income for both years.

5. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank borrowings	**342**	390

6. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
PRC Enterprise Income Tax		
– current year	**4,813**	6,618
Deferred tax	**(2,060)**	(2,059)
	2,753	4,559

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. During the years ended 31 December 2015 and 2014, a PRC subsidiary, Chuanglian Zhongren, of the Group was recognised as high technology enterprise and entitled a preferential tax rate of 15%.

Provision for PRC Enterprise Income Tax has been made for the years ended 31 December 2015 and 2014 based on the estimated assessable profit derived from the PRC.

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2015 and 2014 as the Group did not have any assessable profit subject to Hong Kong Profits Tax for both years.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

7. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

	2015	2014
	RMB'000	*RMB'000*
Directors' emoluments	**4,640**	1,475
Other staff costs (excluding directors' and chief executive's emoluments)	**21,338**	14,567
Share-based payment expenses (excluding directors' and chief executive's emoluments)	**4,868**	1,136
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**1,387**	1,118
Total staff costs	**32,233**	18,296
Auditor's remuneration	**977**	955
Share-based payment expenses granted to consultants *(Note)*	**9,955**	104
Depreciation of plant and equipment	**3,217**	5,227
Amortisation of intangible assets (included in cost of services)	**11,801**	11,144
Loss on derecognition of other receivables	**1,705**	–
Impairment loss on trade and other receivables	–	112
Write off of other receivables	–	1,540
Net foreign exchange losses	–	3
Impairment loss on intangible assets (included in cost of services)	–	368
Impairment loss on plant and equipment	–	570
Loss on disposal of plant and equipment	**403**	2
Operating lease rentals in respect of rented premises	**12,158**	8,103

Note: It represents share options granted to external consultants in exchange for consultancy services rendered to the Group.

8. DIVIDEND

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

9. (LOSS) EARNINGS PER SHARE

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

	2015	2014
(Loss) earnings	***RMB'000***	*RMB'000*
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**(298,658)**	24,233

	2015	2014
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basis earnings per share	**4,464,893**	4,169,023

Diluted loss / earnings per share is same as basic loss / earnings per share for the year ended 31 December 2014 and 2015. During the year ended 2015, the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share. During the year ended 2014, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options were higher than the weighted average market price for share.

10. INTANGIBLE ASSETS

	LED displays advertising right *RMB'000* *(Note i)*	Consultancy service contracts *RMB'000* *(Note ii)*	Other advertising right *RMB'000* *(Note iii)*	Software *RMB'000* *(Note iv)*	Customer relationship *RMB'000* *(Note iv)*	Total *RMB'000*
COST						
At 1 January 2014	680,320	42,403	1,144	8,392	107,191	839,450
Additions	–	–	–	1,000	–	1,000
Exchange realignment	–	–	–	26	1,090	1,116
At 31 December 2014	680,320	42,403	1,144	9,418	108,281	841,566
Additions	–	–	–	1,917	–	1,917
Written off	–	–	(1,144)	–	–	(1,144)
At 31 December 2015	680,320	42,403	–	11,335	108,281	842,339
AMORTISATION AND IMPAIRMENT						
At 1 January 2014	679,928	42,403	1,144	1,452	2,598	727,525
Charge for the year	24	–	–	3,902	7,218	11,144
Impairment loss recognised	368	–	–	–	–	368
Exchange realignment	–	–	–	12	34	46
At 31 December 2014	680,320	42,403	1,144	5,366	9,850	739,083
Charge for the year	–	–	–	4,583	7,218	11,801
Eliminated on written off	–	–	(1,144)	–	–	(1,144)
At 31 December 2015	680,320	42,403	–	9,949	17,068	749,740
CARRYING VALUES						
At 31 December 2015	–	–	–	1,386	91,213	92,599
At 31 December 2014	–	–	–	4,052	98,431	102,483

Notes:

(i) LED displays advertising right represents the operating right to operate outdoor advertising LED displays business in the PRC. The operating right was acquired through acquisition of the entire issued share capital of Precious Luck Enterprises Limited ("Precious Luck") during the year ended 31 December 2010.

The intangible asset is amortised on a straight-line basis over its estimated useful lives of 20 years.

During the year ended 31 December 2014, the directors of the Company considered the LED outdoor advertising business had slowed down and become inactive. The Group was fully recognised an impairment loss of approximately RMB368,000 in relation to LED display advertising right during the year ended 31 December 2014 as no revenue expected to be generated in the future.

(ii) Consultancy service contracts represent exclusive consultancy service agreements for media business obtained through the acquisition of the entire issued share capital of Bold Champion International Limited (“Bold Champion”) on 25 March 2011.

The intangible asset is amortised on a straight-line basis over its estimated useful lives of 10 years according to the terms of the consultancy service contracts.

During the year ended 31 December 2012, the Group recognised a full impairment loss in relation to consultancy service contracts as the directors of the Group expected that there was a significant decline in income derived from providing consultancy services upon the change in business plan of its customers during the year ended 31 December 2012 of which no profit would be expected to be generated in foreseeable future. No material revenue generated from those consultancy service contracts as at 31 December 2014 and 2015.

(iii) Other advertising right represents fees paid for obtaining the exclusive operating right for advertising billboards located on highways in Hebei Province, the PRC. Other advertising right is measured initially at purchase cost and amortised on a straight-line basis over their estimated useful lives of 10 years, less any impairment losses.

(iv) Software represented an online training and education platform which aims at providing end-users an online learning environment which acquired through an acquisition of Housden Holdings on 8 August 2013.

Development cost of the online training and education platform is recognised in accordance with “HKAS 38 Intangible Assets” which expenditures to be capitalised should fulfill all the requirements stated. The management of Housden Holdings was in the view that the platform has an useful life of 5 years from past experience and with reference to other software provider companies.

Customer relationship represented the signed agreements with local training organisations of civil servants and professionals and technicians to provide customised online training and education services. A subsidiary of Housden Holdings, 北京中人光華教育有限公司 (“中人光華”), is authorised by Ministry of Human Resources and Social Security of the PRC to provide online training and education programmes for civil servants and professionals and technicians in the PRC. According to the management, 中人光華 has spent substantial time and resources to negotiate customised training plans with local training organisations. The director of the Company was in the view that the customer relationship has an useful life of 15 years with reference to turnover rate of the customers.

11. GOODWILL

	RMB'000
COST	
At 1 January 2014	373,920
Exchange realignment	4,932
At 31 December 2014 and 31 December 2015	378,852
IMPAIRMENT	
At 1 January 2014 and 31 December 2014	–
Impairment loss recognised during the year	295,433
At 31 December 2015	295,433
CARRYING VALUES	
At 31 December 2015	83,419
At 31 December 2014	378,852

Goodwill was arising on the acquisition of Bold Champion during the year ended 31 December 2011 and acquisition of Housden Holdings during the year ended 31 December 2013 respectively.

12. TRADE AND OTHER RECEIVABLES

	2015 ***RMB'000***	2014 *RMB'000*
Trade receivables	**21,070**	18,969
Less: impairment loss recognised	**(903)**	(4,183)
	20,167	14,786
Deposits for TV programmes production	**52,739**	43,455
Other receivables	**12,341**	1,509
Less: impairment loss recognised	**(143)**	(137)
	64,937	44,827
Deferred cash consideration for disposal of a subsidiary	–	18,591
Deposits	**1,759**	1,205
Prepayments	**15,769**	695
	102,632	80,104

The Group does not hold any collateral over these receivables.

Trade receivables are due according to the terms on the relevant contacts as at 31 December 2015 and 2014. The following is an aged analysis of trade receivables net of accumulated impairment losses presented based on the invoice date at the end of reporting period which approximate the respective revenue recognition date.

	2015	2014
	RMB'000	*RMB'000*
Within 30 days	**13,859**	6,287
31 to 60 days	**–**	504
61 to 180 days	**1,188**	2,796
181 to 365 days	**5,120**	4,817
Over 365 days	**–**	382
	20,167	14,786

13. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**1,000**	205
Other payables	**6,556**	3,879
Fund advance for TV programmes production	**4,790**	11,790
Payable of litigation claim	**11,602**	10,639
Receipts in advance	**16,728**	12,763
Accruals	**3,029**	2,476
	43,705	41,752

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

	2015	2014
	RMB'000	*RMB'000*
Within 30 days	**1,000**	–
Over one year	**–**	205
	1,000	205

The trade payables were due according to the terms on the relevant contracts. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 December 2015, the Group recorded a revenue of approximately RMB97,281,000 (2014: approximately RMB76,906,000), representing an increase of approximately 26.5% as compared to that of last year. The loss attributable to owners of the Company for the year ended 31 December 2015 was approximately RMB298,658,000 as compared to a profit attributable to the owners of the Company of approximately RMB24,233,000 for the year ended 31 December 2014. The loss attributable to owners of the Company for the year ended 31 December 2015 was mainly due to the impairment loss on goodwill related to the online training and education business of approximately RMB295,433,000 (2014: nil). The basic loss per share for year ended 31 December 2015 was RMB6.69cents as compared to a basic earnings per share of RMB0.58 cent for the year ended 31 December 2014.

Revenue derived from educational consultancy and online training and education, other media and advertising media were approximately RMB86,892,000, RMB10,389,000 and nil (2014: approximately RMB69,528,000, RMB7,378,000 and nil).

Cost of sales and services for the year ended 31 December 2015 was approximately RMB34,764,000 (2014: approximately RMB24,201,000), representing an increase of 43.6% as compared to last year. The increase in cost of sales and services was mainly due to the increase in project co-operation expenses and staff costs. Selling and marketing expenses for the year ended 31 December 2015 was approximately RMB19,008,000 (2014: approximately RMB11,399,000), representing an increase of approximately 66.8% as compared to last year. The increase in selling and marketing expenses was mainly due to the increase in salaries, project co-operation expenses, meeting expenses, consulting and legal expenses. Administrative expenses for the year ended 31 December 2015 was approximately RMB57,426,000 (2014: approximately RMB34,609,000), representing an increase of 65.9% as compared to last year. The increase in administrative expenses was mainly due to the share based expense of approximately RMB17,476,000 (2014: approximately RMB1,257,000) arising from the options granted to eligible participants on 4 May 2015, 2 July 2015 and 20 October 2015 as incentives for better development of the Group's businesses. Such expense does not have any impact on the Group's cash flow.

Business Review

The Group is principally engaged in the provision of the online training and education services in the PRC. As one of the very few pioneers of online education providers in the PRC, our online education services mainly focus on providing vocational training in relation to job adaption and skill enhancement to civil servants and professional technical personnel, including but not limited to lawyers, accountants, doctors, teachers, etc., in the PRC. According to the PRC laws and the requirements under relevant provisions, civil servants and professional technical personnel in the PRC are required to undertake an annual required minimum continuing professional training in both public required subjects and relevant professional subjects in order to satisfy their corresponding job requirements and professional development needs. The Group is principally engaged in providing online training on public required subjects and has accumulated over 7,000 hours of video contents in public related subjects over the past few years.

We are committed to provide online vocational training to civil servants and professional technical personnel and strive to become their life-long and comprehensive online learning partner.

The revenue from the online training and education services business is the major contributor of the Group's revenue and accounted for approximately 89.3% of the Group's revenue for the year ended 31 December 2015 (2014: approximately 90.4%). The Directors expect that the online training and education services business will continue to dominate the revenue mix of the Group in the foreseeable future.

Leveraging on our self-developed core network service management platform to link up internet learning service, training management, educational resources and the capability to support large-scale simultaneous online training, we are providing online training to over 5 million civil servants and professional technical personnel in the PRC.

Business Outlook

In 2016, we will continue to make good use of the favorable policies of the PRC government towards online vocational training and education. Based on the technological innovation of our core business, quality enhancement and well-recognised brand, we will focus on the following three aspects:

1) Further promote our online training and education services to the personnel of Ministry of Human Resources and Social Security of the PRC;

2) Through providing technical support and services for various professional association and their corresponding platform, we will enhance our business influence and brand recognition in order to consolidate the leading position in the field of online vocational training and education. We will endeavor to make use of our platform to accelerate the growth of our user base, with a view to better serve a larger scale of professional technical personnel and satisfy their continuing learning needs; and

3) Since 2014, we have cooperated with China Electronic Commerce Association of the Ministry of Industry and Information Technology as well as the National Occupational Capability Evaluation Centre of the National Development and Reform Commission and jointly launched the "National e-business applications employing online learning platform", to train a group of managers and employees in the e-business field, solve the employment and business start-up problems of university graduates, and promote rapid development of e-commerce. On 10 March 2015, we signed the "National Rural Grassroots Cadres (Village) E-business Training Cooperation Agreement" with China E-business Association of the Ministry of Industry and Information Technology, aligning with the State Council Document No. 1 which addresses the "three rural issues", aiming at carry out the development of e-business training for national rural grassroots cadres and promoting "production, supply, sale" of agricultural supplements.

In addition to providing online training in public related subjects, the Group has entered into strategic co-operation agreements with New Oriental Xuncheng Network Technology Co., Ltd., Study & Sun International Education Group and many other institutions to explore the provision of training in the professional subjects through the Group's self-developed core network service management platform.

We believe that training and education is a life-long process. Apart from the arena of online vocational training, the Group is also keen on expanding its business into other areas of education. The Group obtained a 20% equity interest in 深圳市海創星匯網絡科技有限公司(Shenzhen Haichuang Xinghui Network Technology Company Limited*), which was subsequently renamed as 深圳市創聯星匯科技有限公司(Shenzhen Chuanglian Xinghui Technology Company Limited*), by way of capital contribution in April 2015. Such transaction enables the Group to get access to the kindergarten education area and strengthen the Group's capability in developing internet applied projects in relation to the new-generation information technology, which can operate across three major information media in computers, mobile phones and televisions.

The Group has also entered into a strategic co-operation agreement with Beijing Gehua CATV Network Co., Ltd. and Xinhua Net Co., Ltd. in July 2015 in relation to their mode of cooperation in the establishment of an intelligent educational public service cloud platform (the "Platform") for the provision of education and training services to education departments, various education institutions, students and parents in the PRC. The Platform will be operated via cable television networks, the internet and telecommunication networks to offer the users access to the Platform on a tri-networks integration basis with top class education resources for K12 education (i.e. primary and secondary education). The Platform will be launched in Beijing as a trial location with an aim to promote to the cable television networks in the other locations within the PRC.

In addition to the Group's current business-to-business ("B-to-B") model through personal computer networks, the Group is well aware of the increasing popularity of education and training through the mobile ends. The above co-operation on the Platform for K12 education represents the first publicly launched mobile application of the Group. In addition to this, the Group is currently developing another mobile application targeting online vocational training users which is expected to be launched in 2016. We believe that launching of the different mobile applications will gradually enhance the direct connection between the Group and the end consumers to provide the Group with other business opportunities through the business-to-consumer ("B-to-C") model. We believe that the continuing development of the Group's B-to-C model will gradually bring certain changes to the existing ecosystem in the field of training and education. Such change will enable the Group to further diversify its businesses and the Group can accumulate more accurate big data for future marketing businesses through this process.

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flows and the bank balances.

As at 31 December 2015, the Group had bank balances and cash of approximately RMB191,776,000 as compared to the bank balances and cash of approximately RMB83,361,000 as at 31 December 2014.

The Group's net current assets totalled approximately RMB261,092,000 as at 31 December 2015, against approximately RMB103,840,000 as at 31 December 2014. The Group's current ratio was approximately 5.26 as at 31 December 2015 as compared with 2.74 as at 31 December 2014.

Gearing Ratio

The gearing ratio of the Group (measured as total liabilities to total assets) was approximately 16.3% as at 31 December 2015 (2014: 13.0%).

Capital Structure

As at 31 December 2015, the Company's issued share capital was approximately HK$46,525,000 (2014: approximately HK$41,690,000) and the number of its issued shares was 4,652,522,578 ordinary shares of HK$0.01 each.

During the year under review, the Company issued and allotted 473,800,000 new ordinary shares at a price of HK$0.330 per share by means of placing.

The Company also issued and allotted 450,000 and 9,250,000 new ordinary shares of HK$0.37 and HK$0.4 each, respectively, as a result of the exercise of share options to the share option holders of the Company.

FUND RAISING ACTIVITIES

Placing of non-listed warrants under general mandate

On 23 April 2015, the Company entered into the conditional placing agreement (the "Warrant Placing Agreement") with Changjiang Securities Brokerage (HK) Limited (the "Placing Agent"), which the Placing Agent agreed to place up to 473,804,000 non-listed warrants conferring rights to subscribe for up to 473,804,000 warrant shares at the warrant exercise price of HK$0.26 per warrant share (the "Warrant Placing"). On 30 April 2015, the Company and the Placing Agent entered into a termination deed to terminate the Warrant Placing Agreement as it would not be favourable to the Company to pursue the Warrant Placing in view of the possible additional time and work required to proceed with the Warrant Placing as well as the significant difference between the Warrant Exercise Price and the current market price.

Placing of new shares under general mandate

On 30 April 2015, the Company entered into a placing agreement with Orient Securities Limited (the "Placing Agreement"), as the placing agent in relation to a placement of 473,800,000 placing shares at a price of HK$0.330 per placing share on best effort basis (the "Placing"). The maximum net proceeds from the Placing of approximately HK$148.5 million were intended to be used for general working capital and for any possible business development or investment of the Group when appropriate opportunities arise. The Placing was completed on 22 May 2015 in accordance with the terms and conditions of the Placing Agreement dated 30 April 2015.

Foreign Exchange Exposure

Substantially all of the business transactions of the Group are denominated in Renminbi and Hong Kong dollars. The Group adopts a conservative financial policy. As at 31 December 2015, the Group did not have any bank liabilities, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group is not exposed to any material interest and exchange risks.

Charges on Group Assets

As at 31 December 2015, the Group did not have any charges on its assets (2014: Nil).

Contingent Liabilities

On 12 June 2010, an indirectly-owned subsidiary of the Company, ChuangZhi LiDe (Beijing) Technology Development Limited* (創智利德 北京 科技發展有限公司 or "ChuangZhi LiDe") has been brought to the first court hearing at 河北省廊坊經濟技術開發區人民法院 by 日本赤見電機株式會社 ("Japan Chijian"). Japan Chijian has brought a claim for alleged breach of contractual undertakings in relation to the construction of a LED display panel located in the PRC for an amount of approximately RMB12,378,000.

A hearing was held on 4 July 2012 at 河北省石家莊中級人民法院 (the "Court"). No decision had been concluded during the hearing, however, based on principal of equitable liability, the Court has revealed an arbitration of claim of RMB7,500,000 to be paid by the Group for the ownership of the LED display panel. On 12 December 2012, another hearing was brought but no decision has been recognised and concluded.

With reference to a legal opinion obtained from the PRC legal advisor, likelihood of an unfavorable outcome is probable and the amount of the loss of RMB7,500,000 can be reasonably estimated. As a result, provision of RMB7,500,000 in respect of such claim was made and included in other payables in the condensed consolidated financial statements.

On 13 December 2013, a decision has been concluded by the Court which the indirectly-owned subsidiary of the Company is ordered to pay approximately RMB10,593,000 to Japan Chijian and borne the related court expenses of approximately RMB129,000. However, an appeal was applied by the Group on 30 December 2013.

As advised by Chuangzhi LiDe on 9 April 2014, High Court of Hebei province* (河北省高級人民法院) (the "High Court") promulgated the final decision, which the judgment issued by the Intermediate Court has been upheld. Accordingly, ChuangZhi LiDe has to pay an amount of approximately RMB10,342,000 plus the accrued interest with reference to the loan interest rate determined by the People's Bank of China as from 16 April 2008 until payment thereon to Japan Chijian and borne the related court expenses of approximately RMB206,000.

The total provision for the litigation claims in the consolidated financial statement of the Group as at 31 December 2013 was approximately RMB10,722,000 and the Board considered that the amount is adequate and no further provision is required. After due and careful consideration, the Board resolved not to lodge further appeal against the High Court ruling. It is in the interest of the Company and the shareholders of the Company as a whole and has no material adverse impact on the existing business of the Group.

Details regarding the above-mentioned legal proceedings have been set out in the announcement dated 22 April 2014 published by the Company.

Save as disclosed herein, as at 31 December 2015, the Group did not have any material contingent liabilities.

Capital Commitment

As at 31 December 2015, the Group had outstanding capital commitment in respect of the acquisition of plant and equipment of approximately RMB1,683,000 (2014: Nil) and the investment of 35% of the issued share capital of an associate Guangxi Beibu Gulf Guolian Jichuang Education Investment Company Limited* (廣西北部灣國聯集創教育投資有限公司), of approximately RMB1,050,000 (2014: RMB 1,050,000).

Event after the Reporting Period

On 29 December 2015, the Group entered into the Placing Letter with Changjiang Securities Brokerage (HK) Limited which the Group agreed to subscribe for 50,000,000 new ordinary shares in the issued share capital of China Public Procurement Limited ("CPP") at the placing price of HK$0.22, for a total consideration of HK$11,000,000 (not including the corresponding transaction levy and trading fee). The placing have been completed on 20 January 2016. Together the original shareholding on CPP, the Group has an aggregate of 199,677,419 CPP shares and approximately 1.5% of the issued shares of CPP.

Employee Information and Remuneration Policy

As at 31 December 2015, the Group has 151 employees (2014: 115 employees) in Hong Kong and the PRC. The total staff cost was approximately RMB32,233,000 for the year ended 31 December 2015 (2014: approximately RMB18,296,000).

We offer competitive remuneration package, including medical and retirement benefits, to eligible employees. Apart from basic salary, employees are eligible to receive a discretionary bonus taking into accounts factors such as market conditions as well as corporate and individual's performance during the year.

In order to attract, retain and motivate eligible employees, including the directors of the Company, the Company has adopted a share option scheme. The scheme enables eligible persons to obtain an ownership interest in the Company and thus motivates them to optimise their continuing contributions to the Group. As at 31 December 2015, there were 35,950,000 share options remained outstanding under share option scheme 2004. As at 31 December 2015, there were 275,184,000 share options remained outstanding under share option scheme 2014.

We are confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain high standard of service to our clients.

APPOINTMENT AND RESIGNATION OF EXECUTIVE DIRECTORS

Changes in directorship during the year ended 31 December 2015 are as follows:

Mr. Wu Xiaodong, was appointed as an executive Director with effect from 1 April 2015;

Mr. Liu Zhong Hua, resigned as an executive Director with effect from 12 June 2015; and

Mr. Wang Cheng, was appointed as an executive Director with effect from 6 October 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 10 June 2016 to 15 June 2016, both days inclusive, during which period no transfers of shares shall be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrar (HK) Limited, 31/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on 8 June 2016.

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

During the year, the Company issued and allotted 473,800,000 new ordinary shares at a price of HK$0.330 per share by means of placing.

The Company also issued and allotted 450,000 and 9,250,000 new ordinary shares of HK$0.37 and HK$0.4 each, respectively, as a result of the exercise of share options to the share option holders of the Company.

Save as disclosed herein, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2015, the Company has applied and complied with the code provisions in the Corporate Governance Code (the "CG Code") set out in Appendix 14 of the Listing Rules except the following deviation.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separated 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.

During the year ended 31 December 2015, the chairman of the Board was performed by Mr. Lu Xing and the Company did not have a chief executive. The Board will keep reviewing the current structure of the Board from time to time and should candidates with suitable knowledge, skill and experience be identified, the Company will make appointments to fill the posts as appropriate.

COMPLIANCE WITH MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by its Directors on terms no less exactly than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Following a specific enquiry, all Directors confirmed that they have complied with the required standards in the Model Code throughout the year ended 31 December 2015.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") currently consists of all three independent non-executive Directors, namely, Mr. Leung Siu Kee, Mr. Han Bing and Ms. Wang Shuping. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, and discussed auditing, risk management, internal control and financial reporting matters.

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the year ended 31 December 2015 and has provided advice and comments thereon.

AUDITED FINANCIAL STATEMENTS

The Group's consolidated financial statements have been audited by the Group's external auditor, SHINEWING (HK) CPA Limited who has issued an unqualified opinion.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 15 June 2016 and the notice of annual general meeting will be published and despatched to shareholders of the Company in due course.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.chinahrt.com. The Annual Report 2015 of the Company will also be published on the aforesaid websites in due course.

By order of the Board
China Chuanglian Education Group Limited
Lu Xing
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the Board comprises Mr. Lu Xing (Chairman), Mr. Li Jia, Mr. Wu Xiaodong and Mr. Wang Cheng as executive Directors; and Mr. Leung Siu Kee, Mr. Han Bing and Ms. Wang Shuping as independent non-executive Directors.

* *for identification purposes only*