CHINA BEST GROUP HOLDING LIMITED
國華集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 370)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "Board") of China Best Group Holding Limited (the "Company") hereby announces 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 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** **HK$'000**	2014 HK$'000 (Restated)
Continuing operations			
Turnover	3	**452,974**	320,592
Revenue	4	**336,296**	267,040
Cost of sales		**(303,990)**	(254,921)
Gross profit		**32,306**	12,119
Other income	5	**1,902**	1,297
Administrative and other expenses		**(58,165)**	(22,626)
Realised gain (loss) on held for trading investments		**35,027**	(5,414)
Unrealised (loss) gain on fair value change on held for trading investments		**(47,685)**	8,349
Share of losses of associates		**(9,189)**	–
Loss before tax	6	**(45,804)**	(6,275)
Income tax expense	7	**(1,673)**	(331)
Loss for the year from continuing operations		**(47,477)**	(6,606)

* *For identification purpose only*

	NOTE	2015 HK$'000	2014 HK$'000 (Restated)
Discontinued operations			
Loss for the year from discontinued operation	*8*	**(3,514)**	(21,735)
Loss for the year		**(50,991)**	(28,341)
Other comprehensive (expenses) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(14,605)**	(1,364)
Share of translation reserve of associates		**(2,505)**	–
Fair value (loss) gain on available-for-sale investments		**(1,350)**	4,612
		(18,460)	3,248
Total comprehensive expenses for the year		**(69,451)**	(25,093)
Loss for the year attributable to owners of the Company			
– From continuing operations		**(47,472)**	(6,604)
– From discontinued operations		**(1,214)**	(10,934)
		(48,686)	(17,538)
Loss for the year attributable to non-controlling interests			
– From continuing operations		**(5)**	(2)
– From discontinued operations		**(2,300)**	(10,801)
		(2,305)	(10,803)
		(50,991)	(28,341)

	NOTE	2015 HK$'000	2014 HK$'000 (Restated)
Total comprehensive expenses for the year attributable to			
– owners of the Company		**(66,983)**	(13,636)
– non-controlling interests		**(2,468)**	(11,457)
		(69,451)	(25,093)
Loss per share	*9*		
From continuing and discontinued operations			
– Basic and diluted *(HK cents)*		**(1.02) cents**	(0.69) cents
From continuing operations			
– Basic and diluted *(HK cents)*		**(0.99) cents**	(0.26) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**10,604**	7,611
Prepaid lease payment		**–**	12,131
Intangible asset		**811**	–
Goodwill		**–**	–
Interests in associates		**99,859**	–
Available-for-sale investments		**51,762**	53,112
		163,036	72,854
Current assets			
Prepaid lease payment		**–**	279
Inventories		**–**	10,904
Finance lease receivables	*10*	**176,751**	–
Trade and other receivables	*11*	**72,354**	113,912
Held for trading investments		**232,686**	98,030
Pledged bank deposit		**55**	59
Bank balances and cash		**87,522**	99,785
		569,368	322,969
Assets of a disposal group classified as held for sale		**34,636**	–
		604,004	322,969
Current liabilities			
Trade and other payables	*12*	**12,820**	32,788
Loan from a non-controlling shareholder of a subsidiary		**–**	28,126
Tax liabilities		**6,805**	11,363
		19,625	72,277
Liabilities associated with a disposal group classified as held for sale		**54,396**	–
		74,021	72,277
Net current assets		**529,983**	250,692
Total assets less current liabilities		**693,019**	323,546
Capital and Reserves			
Share capital		**263,228**	145,900
Share premium and reserves		**453,266**	198,653
Equity attributable to owners of the Company		**716,494**	344,553
Non-controlling interests		**(23,475)**	(21,007)
		693,019	323,546

Notes:

1. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with the 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.

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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS 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

Except as described below, 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.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company consider that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* has had no material effect in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and
(b) the transaction meets the definition of a business combination under HKFRS 3.

The amendments are applied prospectively. The directors of the Company consider that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* has had no material effect in the Group's 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 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 as follows:

- 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 the 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 application of HKFRS 9 (2014) in the future may have a significant impact on 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 the effect of HKFRS 9 (2014) 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 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement 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. However, it is not practicable to provide a reasonable estimate of the effect of Amendments to HKAS 1 until the Group performs a detailed review.

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 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 uses the 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 HKAS 27 *Equity Method in Separate Financial Statements*

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

(i) at cost;
(ii) in accordance with HKFRS 9 (or HKAS 39); or
(iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 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 retrospectively.

As the Company does not have any investment in joint ventures, the directors of the Company do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's 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 amendments to HKFRS 10 and HKAS 28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

As the Group does not have any investment in joint operations, the directors of the Company do not anticipate that the application of the amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

3. TURNOVER

An analysis of the Group's turnover for the year from continuing operations is as follows:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Trading of goods	**311,388**	260,767
Gross proceeds from disposal of held for trading investments	**116,678**	53,552
Consultancy income from finance lease	**11,101**	–
Provision of international air and sea freight forwarding services	**8,102**	5,868
Interest income from finance leases	**4,375**	–
Dividend income from held for trading investments	**1,330**	405
	452,974	320,592

4. REVENUE AND SEGMENT INFORMATION

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

Year ended 31 December 2015
Continuing operations

	International air and sea freight forwarding	**Securities trading**	**Trading of goods**	**Finance leasing**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Turnover	**8,102**	**118,008**	**311,388**	**15,476**	**452,974**
Revenue					
External	**8,102**	**1,330**	**311,388**	**15,476**	**336,296**
Segment results	**597**	**(11,890)**	**7,062**	**10,720**	**6,489**
Share of losses of associates					**(9,189)**
Gain on disposal of property, plant and equipment					**150**
Unallocated corporate expenses					**(44,083)**
Unallocated corporate income					**829**
Loss before tax (continuing operations)					**(45,804)**

Year ended 31 December 2014
Continuing operations

	International air and sea freight forwarding *HK$'000*	Securities trading *HK$'000*	Trading of goods *HK$'000*	Finance leasing *HK$'000*	Total *HK$'000* (Restated)
Turnover	5,868	53,957	260,767	–	320,592
Revenue					
External	5,868	405	260,767	–	267,040
Segment results	70	3,032	7,575	–	10,677
Gain on disposal of a subsidiary					53
Unallocated corporate expenses					(18,233)
Unallocated other income					1,228
Loss before tax (continuing operations)					(6,275)

5. OTHER INCOME

	2015 **HK$'000**	2014 *HK$'000* (Restated)
Continuing operations		
Interest income from		
– bank	**829**	1,028
– overdue trade receivables	**901**	–
Government grant *(Note)*	**22**	16
Gain on disposal of a subsidiary	**–**	53
Gain on disposal of property, plant and equipment	**150**	–
Sundry income	**–**	200
	1,902	1,297

Note: During the year ended 31 December 2015, a government grant of approximately HK$22,000 (2014: HK$16,000) was granted to the Group in relation to the job credit scheme in Singapore on the condition that the Group has made Central Provident Fund ("CPF") contributions in Singapore during the year. The government grant has been recognised in the same periods in which the expenses were recognised.

6. LOSS BEFORE TAX

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Loss before tax has been arrived at after charging:		
Staff costs		
– directors' emoluments	**8,585**	5,512
– other staff costs	**12,066**	4,741
– share based payment expenses (excluding those for directors and consultants)	**5,340**	1,393
– retirement benefits scheme contributions (excluding those for directors)	**743**	255
Total staff costs	**26,734**	11,901
Auditor's remuneration	**1,138**	1,054
Depreciation of property, plant and equipment	**1,597**	501
Write-off of property, plant and equipment	**–**	13
Net foreign exchange loss	**757**	612
Cost of inventories recognised as expenses	**298,311**	250,795
Share-based payment expenses for consultants	**3,367**	–
Minimum lease payments under operating lease charges	**11,668**	2,934

7. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Current tax:		
PRC Enterprise Income Tax	**1,664**	332
(Over) under provision in prior years:		
Hong Kong	**–**	(1)
PRC Enterprise Income Tax	**9**	–
	9	(1)
Deferred taxation	**–**	–
	1,673	331

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

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries, except Rongjinda Finance Lease Company Limited*（融金達融資租賃有限公司）("Rongjinda Finance"), is 25% from 1 January 2008 onwards.

Rongjinda Finance is established in Qianhai, Shenzhen, and the income tax rates applicable to Rongjinda Finance is 15% pursuant to Commercial Financial Circular No.350/2014 from 1 January 2014 to 31 December 2020.

Taxation arising in Singapore and United States of America is calculated at the rates prevailing in the relevant jurisdictions.

8. DISCONTINUED OPERATION

On 17 December 2015, the Company entered into a sale and purchase agreement with an independent third party in relation to the disposal of entire equity interest in Graceful Mind Group Limited, which carried out all of the Group's operation in relation to manufacturing and sales of coal products. The assets and liabilities attributable to the coal business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position. The net proceeds of disposal are expected to be HK$10,000,000, which exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The results of the operation in relation to manufacturing and sales of coal products for the year were as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue	**–**	9,236
Cost of sales	**–**	(10,230)
Gross loss	**–**	(994)
Other income	**1**	146
Selling and distribution expenses	**–**	(4)
Administrative and other expenses	**(2,032)**	(1,793)
Impairment loss on property, plant and equipment	**–**	(16,883)
Finance costs	**(1,483)**	(2,207)
Loss before tax	**(3,514)**	(21,735)
Income tax expenses	**–**	–
Loss for the year	**(3,514)**	(21,735)
Loss for the year from discontinued operations include the following:		
Staff costs		
– directors' emoluments	**–**	125
– other staff costs	**419**	1,180
Auditor's remuneration	**–**	26
Depreciation of property, plant and equipment	**1,168**	2,022
Amortisation of prepaid lease payment	**276**	279
Impairment loss on property, plant and equipment	**–**	16,883

9. LOSS PER SHARE

For continuing and discontinued operations

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

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**48,686**	17,538

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**4,781,006**	2,526,270

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for both 2015 and 2014.

For continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to owners of the Company	**48,686**	17,538
Less:		
Loss for the year from discontinued operations	**(1,214)**	(10,934)
Loss for the purpose of basic and diluted loss per share from continuing operations	**47,472**	6,604

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

From discontinued operations

Basic and diluted loss per share for the discontinued operation is HK0.03 cents per share (2014: HK0.43 cents per share), based on the loss for the year from the discontinued operations of HK$1,214,000 (2014: HK$10,934,000) and the denominators detailed above for both basic and diluted loss per share.

10. FINANCE LEASE RECEIVABLES

The finance leases are secured by the motor vehicles and other plant and machinery. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	2015	2014
	HK$'000	*HK$'000*
Analysed for reporting purposes as current asset	**176,751**	–

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Finance lease receivables comprise:				
Within one year	**180,242**	–	**176,751**	**–**
Less: unearned interest income	**(3,491)**	–	**–**	**–**
Present value of minimum lease payment receivables	**176,751**	–	**176,751**	**–**

Effective interest rates of the above finance leases range from 5.1% to 6% per annum.

Before accepting any finance lease arrangement, the Group assesses the financial strength of the lessee and considers the credit limit granted to the lessee. In addition, the Group may request for the guarantor with strong financial status where necessary.

At 31 December 2015, finance lease receivables of approximately RMB23,400,000 (equivalent to approximately HK$27,940,000) was past due. Subsequent to the end of the reporting period, repayment terms and schedules have been negotiated and agreed between the Group and the lessees and as such there is no default in repayment. Accordingly, the directors of the Company considered no impairment loss has been recognised.

As at 31 December 2015, the age of the finance lease receivables was within one year based on the effective dates of the relevant lease contracts.

11. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period normally ranging from 30 days to 180 days (2014: 30 days to 180 days) to its trade customers. The following is an aged analysis of trade receivables (net of allowance for doubtful debt) presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date. A trade receivable of the Group amounting to approximately HK$50,526,000 (2015: Nil) was secured by the ordinary share of the debtor for the year ended 31 December 2014.

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**22,452**	51,054
31 – 60 days	**360**	49,505
61 – 90 days	**44,195**	4,159
91 – 120 days	**–**	–
121 – 180 days	**–**	–
Over 180 days	**16**	4,032
Trade receivables	**67,023**	108,750
Prepayments	**1,501**	1,506
Deposits and other receivables	**3,830**	3,656
	72,354	113,912

12. TRADE AND OTHER PAYABLES

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

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**272**	450
31 – 60 days	**5**	68
61 – 90 days	**2**	8
Over 90 days	**602**	10,993
Trade payables	**881**	11,519
Value-added tax payable	**395**	5,060
Accrued charges	**3,845**	3,240
Other payables	**7,699**	12,969
	12,820	32,788

13. EVENTS AFTER THE REPORTING PERIOD

(a) For the share subscription set out in the Company's announcements dated on 18 September 2015, 27 October 2015 and 9 December 2015, all the conditions precedent to the share subscription by share subscribers under the share subscription agreement were fulfilled and the completion took place on 3 February 2016. A total number of 2,000,000,000 subscription shares were allotted and issued to the share subscribers at the subscription price of HK$0.18 as per subscription share.

Further details of the completion of the share subscription are set out in the Company's announcement dated 3 February 2016.

(b) On 26 February 2016, Esteem Sun Limited ("Esteem Sun"), a wholly owned subsidiary of the Company, entered into a subscription agreement with Pets Best Japan Co., Ltd. ("Pets Best"), pursuant to which Pets Best agreed to allot and issue and Esteem Sun agreed to subscribe 8,300 new shares of Pets Best, representing approximately 14.98% interest of its enlarged share capital, at the consideration of JPY144,154,400 (equivalent to approximately HK$9,942,000).

The subscription was completed in March 2016. Further details of the subscription are set out in the Company's announcement dated 26 February 2016.

14. COMPARATIVE FIGURES

As a result of the retrospective adjustment of the discontinued operation, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed in 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

	2015	2014	Increase/(Decrease) 2015 Vs 2014	
	HK$'M	*HK$'M*	*HK$'M*	*%*
		(Restated)		
Financial Results Highlight				
Continuing operations				
Turnover	**453.0**	320.6	**132.4**	**41**
Gross profit	**32.3**	12.1	**20.2**	**167**
Other operating (loss)/gain (net)	**(10.8)**	4.2	**(15.0)**	**(357)**
Total expenses	**(58.2)**	(22.6)	**35.6**	**158**
Share of losses of associates	**(9.2)**	–	**9.2**	**Not applicable**
Net loss before tax & non-controlling interests				
– from continuing operations	**(45.8)**	(6.3)	**39.5**	**627**
– from discontinued operations	**(3.5)**	(21.7)	**(18.2)**	**(84)**
Loss for the year attributable to owners of the Company				
– from continuing operations	**(47.5)**	(6.6)	**40.9**	**620**
– from discontinued operations	**(1.2)**	(10.9)	**(9.7)**	**(89)**
	(48.7)	(17.5)	**31.2**	**178**
Extract of Financial Position				
Total assets	**767.0**	395.8	**371.2**	**94**
Total liabilities	**(74.0)**	(72.3)	**1.7**	**2**
Net current assets	**530.0**	250.7	**279.3**	**111**
Bank balances and cash	**87.5**	99.8	**(12.3)**	**(12)**
Total net assets	**693.0**	323.5	**369.5**	**114**

OVERVIEW

For the year ended 31 December 2015, the Group's turnover was approximately HK$453.0 million, representing an increase of 41% as compared with HK$320.6 million in last year. The Group recorded a gross profit of approximately HK$32.3 million for the year ended 31 December 2015, compared with a gross profit of approximately HK$12.1 million in last year. The net loss for the year attributable to owners of the Company was approximately HK$48.7 million, representing an increase of 178% as compared with that of approximately HK$17.5 million in last year. Such increase was mainly attributable to, among other things, (i) unrealised fair value losses of approximately HK$47.7 million in respect of investment in listed securities held for trading as at 31 December 2015, which was partially offset by realised gain of approximately HK$35.0 million derived from trading in listed securities during the year; (ii) share-based payment expenses, which are of non-cash nature, of approximately HK$10.7 million in relation to the share options granted by the Company on 17 July 2015; (iii) share of losses of associates of approximately HK$9.2 million.

BUSINESS AND FINANCIAL REVIEW

Finance Leasing Business

The Group commenced its finance leasing business in July 2015 and engaged in providing finance lease services in the PRC. Up to 31 December 2015, the turnover of the Group's finance leasing business amounted to approximately HK$15.5 million whereas the segment profit of approximately HK$10.7 million was achieved.

Trading Business

The Group engaged in trading of goods, including fuel oil, radio system and electronic appliance. Up to 31 December 2015, the turnover of the Group's trading business amounted to approximately HK$311.4 million (2014: approximately HK$260.8 million) whereas the gross profit was approximately HK$13.1 million (2014: approximately HK$10.0 million). By leveraging its business network at Hong Kong and the PRC, the Group recorded a profit of approximately HK$7.1 million (2014: approximately HK$7.6 million) in this segment.

Securities Investment Business

For the year ended 31 December 2015, the turnover of the Group's securities investment business amounted to approximately HK$118.0 million (2014: approximately HK$54.0 million). During the year, the Group recorded a realised gain of approximately HK$35.0 million (2014: realised loss of approximately HK$5.4 million) and a net unrealised loss of the listed securities of approximately HK$47.7 million (2014: net unrealised gain of approximately HK$8.3 million). For the year ended 31 December 2015, the Group received dividend income of approximately HK$1.3 million (2014: approximately HK$0.4 million). As at 31 December 2015, the Group was holding trading securities of approximately HK$232.7 million in value (2014: approximately HK$98.0 million).

Freight Forwarding Business

For the year ended 31 December 2015, the turnover of the Group's freight forwarding business amounted to approximately HK$8.1 million (2014: approximately HK$5.9 million). Gross profit of approximately HK$2.4 million and segment profit of approximately HK$0.6 million were made for the year ended 31 December 2015 (2014: gross profit of approximately HK$1.7 million and segment profit of approximately HK$70,000). There was no significant change in the Group's strategy and plan regarding its freight forwarding business. The increase in the segment turnover and profit is mainly attributable to the modest recovery in the forwarding market of United States.

Coal Business (classified as "Discontinued Operation")

The coal sector in the PRC is still in the cyclical adjustment stage and the coal business segment of the Group has been facing tough market conditions and unprecedented operating pressure. In 2015, the Group prioritized the sale of inventory of manufactured coal products currently held on hand rather than engaging in further production and accordingly the production of coal in the coal business segment of the Group stopped. However, up to 31 December 2015, the Group was unable to seek customers to purchase the existing inventory at a profit and thus no turnover of coal product was recorded for the year (2014: approximately HK$9.2 million). The loss of this business segment was approximately HK$2.0 million for the year ended 31 December 2015 (2014: approximately HK$19.9 million).

As disclosed in the Company's announcement dated 17 December 2015, the Company entered into a sale and purchase agreement on the same day with an independent purchaser to dispose of the Group's coal business. The disposal was completed in March 2016. The Company is no longer engaged in the coal business after completion of the aforesaid disposal.

LIQUIDITY AND CASHFLOW RESOURCES

As at 31 December 2015, the equity and net current assets of the Group amounted to approximately HK$693.0 million (2014: approximately HK$323.5 million) and HK$530.0 million (2014: approximately HK$250.7 million) respectively. On the same date, the Group had bank balances and cash of approximately HK$87.5 million (2014: approximately HK$99.8 million) and the current ratio was 8.16 (2014: 4.47).

As at 31 December 2014, the gearing ratio of the Group was 0.05. The gearing ratio is measured on the basis of interest bearing borrowings over total assets. As at 31 December 2014, the interest bearing borrowings and total assets of the Group amounted to approximately HK$21.2 million approximately HK$395.8 million. As at 31 December 2015, the interest bearing borrowings of approximately HK$21.2 million was classified as held for sale. As such, no gearing ratio was measured as at 31 December 2015.

The Group has sufficient and readily available financial resources for both general working capital purposes and existing business plan.

PLEDGE OF ASSETS

As at 31 December 2015 and 2014, none of the Group's securities was pledged to brokers to secure the margin loan. As at 31 December 2015 and 2014, there were no other significant assets pledged to banks to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 December 2015 and 2014, the Group had no material contingent liabilities.

CAPITAL EXPENDITURE

During the year ended 31 December 2015, the Group incurred approximately HK$8.9 million as capital expenditure (2014: approximately HK$4.2 million).

CAPITAL COMMITMENTS

As at 31 December 2015, the Group had no material capital commitment. As at 31 December 2014, the Group had capital commitments of approximately HK$2.0 million contracted but not provided mainly in relation to acquisition of an associate and leasehold improvement costs.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2015, the Group held available-for-sale investments of HK$51.8 million (2014: HK$53.1 million) and held for trading investments of approximately HK$232.7 million (2014: approximately HK$98.0 million).

Company Name/Stock Code	Number of shares held (*'000*)		% of shareholding (*%*)		Realised gain (*HK$'000*)	Unrealised gain (loss) on fair value change (*HK$'000*)	Fair value (*HK$'000*)	(*HK$'000*)	% of Net Assets (*%*)		Dividend received (*HK$'000*)	(*HK$'000*)	Total investment cost (*HK$'000*)
	As at 31.12.2015	As at 31.12.2014	**As at 31.12.2015**	As at 31.12.2014	**For the year ended 31.12.2015**	**For the year ended 31.12.2015**	**As at 31.12.2015**	As at 31.12.2014	**As at 31.12.2015**	As at 31.12.2014	**For the year ended 31.12.2015**	For the year ended 31.12.2014	**As at 31.12.2015**
Leyou Technologies Holdings Ltd. (1089) ("LTHL")	**117,905**	13,000	**4.11**	0.65	**174**	**(29,643)**	**88,429**	11,050	**12.76**	3.42	**–**	–	**117,505**
China Minsheng Drawin Technology Group Ltd. (726) ("CMDT")	**63,500**	–	**0.62**	–	**19,293**	**15,398**	**31,115**	–	**4.49**	–	**–**	–	**15,717**
China Water Industry Group Ltd. (1129) ("CWIG")	**23,432**	–	**1.47**	–	**–**	**(760)**	**38,194**	–	**5.51**	–	**–**	–	**38,954**
Co-Prosperity Holdings Ltd. (707) ("CPHL")	**64,900**	–	**3.19**	–	**–**	**(9,997)**	**17,848**	–	**2.58**	–	**–**	–	**27,844**
Mega Expo Holdings Limited (1360) ("MEHL")	**19,000**	–	**1.58**	–	**–**	**5,076**	**19,950**	–	**2.88**	–	**–**	–	**14,874**
Others *(Note)*	**–**	–	**–**	–	**15,560**	**(27,759)**	**37,150**	86,980	**5.36**	26.88	**1,330**	405	**70,622**
Total					**35,027**	**(47,685)**	**232,686**	98,030	**33.58**	30.30	**1,330**	405	**285,516**

Note: Each of these investments represented less than 5% of the total investments amount of the Group as at 31 December 2015.

LTHL is principally engaged in trading and manufacturing of chicken meat products, animal feeds and chicken breeds, and since the second half of 2015, it has commenced its business diversification beyond the poultry business into the multi-media and gaming business as well. CMDT is principally engaged in property development and investment. CWIG is principally engaged in provision of water supply and sewage treatment services; construction of water supply and sewage treatment infrastructure; and exploitation and sale of renewable energy in the PRC. CPHL is principally engaged in processing, printing and sales of finished fabrics; and trading of fabrics and clothing, and has also been looking to develop, among others, new businesses in the media, cultural and entertainment industry since the last quarter of 2015. MEHL is principally engaged in management as well as the organisation of trade exhibitions and the provision of exhibition related services for other exhibition organisers or project managers.

During the year ended 31 December 2015, the Group also recognised fair value loss on available-for-sale investments in the amount of approximately HK$1.4 million in other comprehensive income for the period. The Group's available-for-sale investments as at 31 December 2015 comprised of (i) listed equity investment in London at a fair value of approximately HK$9.0 million; (ii) unlisted investment in funds at fair value of approximately HK$35.3 million; and (iii) unlisted equity securities in Hong Kong at cost less impairment loss, i.e. the carrying amount of approximately HK$7.5 million.

As at 31 December 2015 and 2014, all financial assets at fair value through profit and loss represented listed securities in Hong Kong. The significant increase in unrealized fair value loss for investments held for trading for the year ended 31 December 2015 was primarily because in the second half of 2015, market sentiment crumbled and the Hang Seng Index dropped significantly from its record high in recent years of 28,442.75 points in April 2015 to 21,914.40 points as at 31 December 2015 for reasons, including the extraordinary upheaval in the PRC stock market and the pressure from the economic slowdown in the PRC and the global economy. As at 31 December 2015, the Group recorded a net unrealised fair value losses of approximately HK$47.7 million in respect of investment in listed securities held for trading.

The Board acknowledges that the performance of the equities may be affected by the degree of volatility in the Hong Kong stock market and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the equities, the Board will continue to maintain a diversified investment portfolio across various segments of the market and also closely monitor the performance progress of its investment portfolio from time to time going forward.

MATERIAL ACQUISITION AND DISPOSAL

(a) On 15 April 2015, the Group entered into a conditional sale and purchase agreement with an individual for the acquisition of the entire issued share capital of Advance Moon Limited (currently renamed as China Best Finance Limited) which is the holder of a valid money lending licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) at consideration of HK$800,000. The acquisition was completed in September 2015. Details of the aforesaid acquisition are set out in the Company's announcement dated 15 April 2015.

(b) On 20 April 2015, the Group entered into a subscription agreement (the "Subscription Agreement") with East Favor Global Investment Limited (the "Issuer"), an independent third party. Pursuant to the Subscription Agreement, the Group conditionally agreed to subscribe for 9,608 new shares of the Issuer (the "Subscription Shares") at the consideration of HK$110,250,000. The Subscription Shares represent approximately 49% of the total issued share capital of the Issuer as enlarged by the allotment and issue of the Subscription Shares. The Issuer is, through its wholly-owned subsidiaries, engaged in the business of manufacturing photovoltaic power generation system, construction, operation and management of photovoltaic power plants in the PRC. The subscription was completed on 11 June 2015. Details of the aforesaid subscription are set out in the Company's announcements dated 20 April 2015 and 11 June 2015.

(c) On 17 December 2015, the Group entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Free Trans Holdings Limited (the "Purchaser"), an independent third party. Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire and the Group conditionally agreed to dispose of 1,100 shares in Graceful Mind Group Limited, a wholly-owned subsidiary of the Company at the consideration of HK$10 million. The disposal was completed in March 2016. Details of the aforesaid disposal are set out in the Company's announcement dated 17 December 2015.

Save as disclosed above, there was no other material acquisition or disposal (including the acquisition or disposal of subsidiaries and associated companies) for the year ended 31 December 2015.

FUND RAISING ACTIVITIES AND USE OF PROCEEDS

Save as disclosed below, the Company did not conduct any other fund raising activities during the year.

Date of announcement	Fund raising activities	Net proceeds	Intended use of proceeds	Actual use of proceeds
12 June 2015	Placing of 875,380,000 new shares under general mandate at the placing price of HK$0.25 per share representing a discount of approximately 7.41% to the closing price of HK$0.27 per share as quoted on the Stock Exchange as at the date of the placing agreement	Approximately HK$213 million	(a) For further capital injection of approximately HK$131 million into Rongjinda Finance for the purpose of establishing a finance leasing business in the PRC; and (b) approximately HK$82 million to be utilised for investment opportunities that may arise and/or general working capital.	(a) approximately HK$131 million was utilized for capital injection into Rongjinda Finance as intended; and (b) approximately HK$82 million was utilized for general working capital as intended.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's monetary assets, loans and transactions are principally denominated in Hong Kong dollars, Renminbi and US dollars. During the year, there was no significant fluctuation in the exchange rates of Hong Kong dollars and US dollars whereas Renminbi had a downward adjustment, resulting in an exchange loss of approximately HK$14.6 million recognised as other comprehensive expenses of the Group. The Group will take a prudent approach against any impact arising from the fluctuation in exchange rates but currently is not engaged in any derivative activities and not committed to any financial instruments to hedge its balance sheet exposure.

EMPLOYEE AND HUMAN RESOURCES POLICY

As at 31 December 2015, the Group had 51 staff (2014: 44 staff). The total staff cost incurred for the year ended 31 December 2015 was approximately HK$26.7 million (2014: approximately HK$11.9 million). The remuneration of employees was determined with reference to the qualification and experience of individual staff member, market circumstances and the Group's performance. In accordance with the Listing Rules, the staff of the Company's accounting and financial reporting function have adequate training programmes and budget.

Pursuant to a share option scheme adopted on 22 May 2012 (the "2012 Share Option Scheme"), the Board may grant options to directors (including non-executive directors and independent non-executive directors), employees of the Company and any of its subsidiaries or associated companies, to subscribe for shares of the Company. During the year, a total of 437,690,150 share option with the right to subscribe for a total number of 437,690,150 ordinary shares of HK$0.05 each in the capital of the Company were granted to the Company's directors, employees of the Group and its associated companies, and several consultants under the 2012 Share Option Scheme.

BUSINESS PROSPECT

The Group is principally engaged in international air and sea freight forwarding and the provision of logistics services as well as trading of securities and commenced trading of fuel oil, electronic devices and other commodities and commenced the finance leasing business and the money lending business in the second half of 2015. The Group has been making strategic adjustments to its principal business activities to, among other, develop and expand its finance related businesses.

Due to the PRC government energy policy which tends to discourage the use of coal for the purpose of pollution control and the downward pressure of the economy of the PRC which in turn reduces the demand for coal, the Group has been recording losses in the coal business segment since 2013. In order to reduce operation loss and allow the Group to engage in more profitable businesses in the future, the Group entered into a sales and purchase agreement with an independent third party to dispose of the coal business on 17 December 2015. Please refer to section "MATERIAL ACQUISITION AND DISPOSAL" above for details. After the completion of the disposal of the coal business, the Group has ceased to engage in manufacture and sale of coal products.

After the commencement of the finance leasing business in July 2015, considerable profit was generated to the Group from this business segment. The Company believes that the finance leasing business will enter into a stage of accelerated development under the current policy support from the PRC government. This has provided a good opportunity for the Group to focus on the development of its finance leasing business.

In September 2015, the Group completed the acquisition of all the shares of China Best Finance. China Best Finance holds a money lenders licence in Hong Kong. The Group intends to leverage on China Best Finance as the platform to actively develop the money lending business. The Company believes that it can be competitive in the money lending market in Hong Kong and will be able to generate returns to the Group in the foreseeable future.

The Group intends to further develop and enhance its trading business as one of its principal businesses as it will provide stable income to the Group and balance the risk and return factors when the Group is developing financial service business.

The Hong Kong and China stock markets have been in an extraordinary upheaval and showed a weak and downward trend since the second half of 2015. The Group has been monitoring its investment in securities and related products closely and will act with caution in order to control the investment risk.

There has been no significant change in the Group's strategy and plan in its freight forwarding business. Following the steady recovery in the economy of North America, the freight forwarding industry was slightly improved. However, the Group will still keep relatively conservative approach in this segment.

Apart from existing business operation, the Group will continue to explore investment opportunities for business development of the Group in the financial sector. The Board is convinced that it is the fundamental basis on which the Company generates and preserves value over the longer term and the strategy for delivering the objectives of the Company. The Board will closely monitor the business environment with the aim to maximise the returns of the shareholders of the Company.

FINAL DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 December 2015 (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2015 (2014: Nil).

REVIEW OF FINANCIAL INFORMATION

The Board has established the Audit Committee in accordance with the Listing Rules. The Committee currently comprises Mr. Chan Fong Kong Francis, Mr. Chen Zhenguo and Mr. Li Yu, the three independent non-executive directors of the Company. A summary of duties and works of the Audit Committee is set out in the "Corporate Governance Report" in the 2015 annual report which will be despatched to the shareholders in due course.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2015.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on this announcement.

CORPORATE GOVERNANCE CODE OF THE LISTING RULES

In the opinion of the Board, saved as disclosed below, none of the directors of the Company is aware of any information that would reasonably indicate that the Company was not in compliance with the Corporate Governance Code (the "CG Code") during the year as set out in Appendix 14 of the Listing Rules.

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The role of the chairman was performed by Mr. Kuk Peter Z during the period from 1 January 2015 to 20 May 2015 and performed by Mr. Tan Xiangdong from 22 May 2015 onwards, who provided leadership for the Board and was responsible for chairing meetings, managing the operations of the Board and ensuring that all major and appropriate issues were discussed by the Board in a timely and constructive manner. They are also responsible for the strategic management of the Group and for formulating the Group overall corporate direction and focus.

The role of chief executive officer was performed by Mr. Li Xiaolong ("Mr. Li"), who was responsible for the overall management and operations of the Group. He was also responsible for running the businesses of the Group and implementing the Group's strategic plans and business goals. Mr. Li resigned as chief executive officer of the Company on 10 August 2015. The Board is considering suitable candidate to be elected as this role.

Under Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. All of the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation once every three years and eligible for re-election at the annual general meeting under the Company's Bye-laws.

Under Code Provision A.6.7 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to his work commitments, one independent non-executive director was unable to attend the annual general meeting held on 22 May 2015.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining the Group's risk management and internal control systems to safeguard shareholders' investment and for reviewing the effectiveness of such on an annual basis under Code Provision C.2.1.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made on all directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 May 2016 to Tuesday, 24 May 2016 (both days inclusive), during which no transfer of shares will be registered. In order to qualify to be shareholders of the Company to attend and vote at the annual general meeting to be held on 24 May 2016, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 20 May 2016.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2015 is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cbgroup.com.hk) respectively. The 2015 annual report and notice of annual general meeting of the Company will be despatched to the shareholders and made available on the above websites in due course.

By Order of the Board
China Best Group Holding Limited
Mr. Li Yang
Deputy Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Tan Xiangdong, Mr. Li Yang, Mr. Wang Jian, Mr. Liu Wei and Mr. Chen Wei, and three independent non-executive directors, namely, Mr. Chan Fong Kong Francis, Mr. Chen Zhenguo and Mr. Li Yu.