ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "**Board**") of Eternity Investment Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2015 together with the comparative figures for 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Continuing operations			
Revenue	5	**184,780**	88,671
Cost of sales		**(95,748)**	(11,845)
Gross profit		**89,032**	76,826
Investment and other income	6	**4,765**	2,116
Other gains and losses	7	**130,344**	245,533
Selling and distribution expenses		**(3,654)**	(409)
Administrative expenses		**(88,036)**	(45,201)
Share of results of associates		**—**	(555)
Profit from operations		**132,451**	278,310
Finance costs	8	**(1,609)**	—
Profit before taxation		**130,842**	278,310
Income tax expense	9	**(8,253)**	(6,898)
Profit for the year from continuing operations	10	**122,589**	271,412
Discontinued operations			
Loss for the year from discontinued operations	11	**(22,988)**	(46,112)
Profit for the year		**99,601**	225,300

	Notes	**2015** **HK$'000**	2014 *HK$'000*
Profit for the year attributable to:			
Owners of the Company		**105,256**	238,077
Non-controlling interests		**(5,655)**	(12,777)
		99,601	225,300
Earnings/(loss) per share	*12*		
From continuing and discontinued operations			
Basic		**HK9.30 cents**	HK44.75 cents
Diluted		**HK9.04 cents**	HK44.67 cents
From continuing operations			
Basic		**HK10.83 cents**	HK51.02 cents
Diluted		**HK10.53 cents**	HK50.93 cents
From discontinued operations			
Basic		**HK(1.53) cents**	HK(6.27) cents
Diluted		**HK(1.49) cents**	HK(6.26) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**99,601**	225,300
Other comprehensive income for the year, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	**(32,117)**	1
Reclassification adjustment relating to foreign operations disposed of	**55**	—
Net (loss)/gain arising on revaluation of available-for-sale financial assets	**(42,334)**	43,212
Reclassification adjustment relating to available-for-sale financial assets disposed of	**(74,378)**	—
Reclassification adjustment relating to impairment loss recognised in respect of available-for-sale financial assets	**73,500**	—
Total comprehensive income for the year	**24,327**	268,513
Total comprehensive income/(expense) for the year attributable to:		
Owners of the Company	**29,982**	281,290
Non-controlling interests	**(5,655)**	(12,777)
	24,327	268,513

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**420,784**	13,074
Investment properties		**595,448**	—
Intangible assets		**971,888**	—
Goodwill		**354,772**	89,265
Interests in associates		—	—
Convertible notes receivables		—	—
Deposit for investment		—	60,000
Available-for-sale financial assets		**262,672**	68,887
Deferred tax assets		**3,792**	—
Prepayments		**7,979**	—
Loans receivables	*13*	**462,456**	230,000
		3,079,791	461,226
Current assets			
Inventories		**49,258**	27,100
Loans receivables	*13*	**23,021**	720,549
Trade receivables	*14*	**62,233**	17,232
Deposits, prepayments and other receivables		**98,541**	10,495
Amount due from an associate		**2,097**	3,528
Financial assets at fair value through profit or loss		**597,658**	598,705
Convertible notes receivables		—	—
Conversion options embedded in convertible notes receivables		—	—
Tax recoverable		**8,906**	—
Restricted bank deposits		—	19,701
Cash and cash equivalents		**509,341**	384,778
		1,351,055	1,782,088
Total assets		**4,430,846**	2,243,314
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**26,800**	5,477
Reserves		**3,325,510**	2,139,174
Equity attributable to owners of the Company		**3,352,310**	2,144,651
Non-controlling interests		**(5)**	11,790
Total equity		**3,352,305**	2,156,441

	Notes	2015 HK$'000	2014 HK$'000
LIABILITIES			
Current liabilities			
Trade payables	15	**40,220**	13,165
Deposits received, accruals and other payables		**161,019**	17,545
Receipts in advance		**33,389**	—
Other borrowings		—	3,850
Promissory notes		**30,000**	6,069
Tax payables		**92,004**	21,709
Deposits from customers		—	80
Deferred revenue		—	24,000
Obligations under finance leases		—	444
Bank borrowings		**29,054**	—
		385,686	86,862
Non-current liabilities			
Other payables		**92,290**	—
Obligations under finance leases		—	11
Receipts in advance		**81,000**	—
Bank borrowings		**154,953**	—
Deferred tax liabilities		**364,612**	—
		692,855	11
Total liabilities		**1,078,541**	86,873
Total equity and liabilities		**4,430,846**	2,243,314
Net current assets		**965,369**	1,695,226
Total assets less current liabilities		**4,045,160**	2,156,452

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period. The preparation of consolidated financial statements in comformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in thousands of units of Hong Kong Dollars **(HK$'000)**, which is the functional currency of the Company.

2. Application of new and revised HKFRSs

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning from 1 January 2015.

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

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine Standards with consequential amendments to other Standards. Among them, HKAS 24 *Related Party Disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

3. New and revised HKFRSs in issue 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:

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

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[3] Effective for annual periods beginning on or after a date to be determined.

Except as described below, none of these new and revised HKFRSs is expected to have a material effect on the Group's consolidated financial statements.

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("**FVTOCI**") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required 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 generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, 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 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 attributable to financial liability's 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 at fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a 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*

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue 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.

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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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.

4. Operating segments

The Group's operating segments have been determined based on the information reported to the Chairman of the Board, being chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has five operating segments:

(a)	Distribution	Distribution of films and sub-licensing of film rights
(b)	Property investment	Leasing of rental properties
(c)	Sale of financial assets	Sale of financial assets
(d)	Money lending	Money lending
(e)	Sale of jewelry products	Design and sale of jewelry products

Provision of management services was discontinued during the year ended 31 December 2014.

Sale of beauty products and provision of therapy services was discontinued in the current year.

An analysis of the Group's reportable revenue, results, assets, liabilities and other selected financial information for the years ended 31 December 2015 and 2014 by operating segments is as follows:

For the year ended 31 December 2015

	Continuing operations						Discontinued operations	
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Sub-total	Sale of beauty products and provision of therapy services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue								
Segment revenue	—	9,099	(14,175)	72,529	117,327	184,780	37,021	221,801
Results								
Segment (loss)/profit	(58)	(55,677)	(78,097)	38,256	14,838	(80,738)	(21,434)	(102,172)
Interest income on bank deposits						1,148	238	1,386
Unallocated corporate income						506	1	507
Unallocated corporate expenses						(32,105)	(129)	(32,234)
Gain on deemed disposal of a subsidiary						245,072	—	245,072
Impairment loss recognised in respect of amount due from an associate						(1,431)	—	(1,431)
Loss on disposal of property, plant and equipment						(1)	(136)	(137)
Write-down of inventories						—	(3)	(3)
Finance costs						(1,609)	(854)	(2,463)
Share of results of associates						—	—	—
Profit/(loss) before taxation						130,842	(22,317)	108,525
Income tax expense						(8,253)	(671)	(8,924)
Profit/(loss) for the year						122,589	(22,988)	99,601

At 31 December 2015

	Continuing operations						Discontinued operations	
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Sub-total	Sale of beauty products and provision of therapy services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets and liabilities								
Assets								
Segment assets for operating segment								
— Hong Kong	264	1,265	1,059,867	594,426	134,498	1,790,320	—	1,790,320
— The People's Republic of China (the "**PRC**")	—	2,515,173	—	—	—	2,515,173	—	2,515,173
	264	2,516,438	1,059,867	594,426	134,498	4,305,493	—	4,305,493
Unallocated corporate assets								125,353
Consolidated total assets								4,430,846
Liabilities								
Segment liabilities for operating segment								
— Hong Kong	(20)	(327)	(12,126)	(6,424)	(41,568)	(60,465)	—	(60,465)
— The PRC	—	(900,311)	—	—	—	(900,311)	—	(900,311)
	(20)	(900,638)	(12,126)	(6,424)	(41,568)	(960,776)	—	(960,776)
Unallocated corporate liabilities								(117,765)
Consolidated total liabilities								(1,078,541)

For the year ended 31 December 2015

	Continuing operations						Discontinued operations		
	Distribution *HK$'000*	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Sub-total *HK$'000*	Sale of beauty products and provision of therapy services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Other segment information									
Amounts included in the measure of segment profit/(loss) and segment assets									
Additions to property, plant and equipment	—	7,773	—	—	111	7,884	2,332	—	10,216
Amortisation of intangible assets	—	(5,114)	—	—	—	(5,114)	—	—	(5,114)
Cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets	—	—	74,378	—	—	74,378	—	—	74,378
Depreciation of property, plant and equipment	—	(3,747)	—	—	(122)	(3,869)	(3,869)	—	(7,738)
Dividend income	—	—	3,111	—	—	3,111	—	—	3,111
Gain arising on change in fair value of investment properties	—	604	—	—	—	604	—	—	604
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss	—	—	(73,500)	—	—	(73,500)	—	—	(73,500)
Impairment loss recognised in respect of goodwill	—	(48,492)	—	—	—	(48,492)	—	—	(48,492)
Loss arising on change in fair value of financial assets at fair value through profit or loss	—	—	(66,286)	—	—	(66,286)	—	—	(66,286)

For the year ended 31 December 2014

	Continuing operations						Discontinued operations		
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of jewelry prodcuts	Sub-total	Sale of beauty products and provision of therapy services	Provision of management services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue									
Segment revenue	—	—	(3,918)	78,316	14,273	88,671	22,084	158	110,913
Results									
Segment (loss)/profit	(37)	(2,284)	89,230	75,295	648	162,852	(1,551)	153	161,454
Interest income on bank deposits						2,116	63	—	2,179
Unallocated corporate income						—	1,626	—	1,626
Unallocated corporate expenses						(37,270)	(44)	—	(37,314)
Gain arising on change in fair value upon conversion of convertible notes receivables						133,759	—	—	133,759
Gain arising on early redemption of convertible notes receivables						1,611	—	—	1,611
Gain on deemed disposal of an associate						7,669	—	—	7,669
Gain on disposal of property, plant and equipment						130	9	—	139
Gain on disposal of subsidiaries						312	1,359	—	1,671
Gain on disposal of trademark						—	350	—	350
Impairment loss recognised in respect of other receivables						—	(46,519)	—	(46,519)
Imputed interest income on convertible notes receivables						7,686	—	—	7,686
Write-down of inventories						—	(1)	—	(1)
Written-off of property, plant and equipment						—	(322)	—	(322)
Finance costs						—	(406)	—	(406)
Share of results of associates						(555)	—	—	(555)
Profit/(loss) before taxation						278,310	(45,436)	153	233,027
Income tax expense						(6,898)	(829)	—	(7,727)
Profit/(loss) for the year						271,412	(46,265)	153	225,300

At 31 December 2014

	Continuing operations						Discontinued operations		
	Distribution	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Sub-total	Sale of beauty products and provision of therapy services	Provision of management services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets and liabilities									
Assets									
Segment assets for operating segment									
— Hong Kong	253	2,355	987,687	979,249	44,378	2,013,922	161,362	—	2,175,284
— The PRC	—	—	—	—	—	—	4	—	4
	253	2,355	987,687	979,249	44,378	2,013,922	161,366	—	2,175,288
Unallocated corporate assets									68,026
Consolidated total assets									2,243,314
Liabilities									
Segment liabilities for operating segment									
— Hong Kong	—	(160)	(12,908)	(8,585)	(13,778)	(35,431)	(41,311)	—	(76,742)
— The PRC	—	—	—	—	—	—	—	—	—
	—	(160)	(12,908)	(8,585)	(13,778)	(35,431)	(41,311)	—	(76,742)
Unallocated corporate liabilities									(10,131)
Consolidated total liabilities									(86,873)

For the year ended 31 December 2014

	Continuing operations						Discontinued operations			
	Distribution *HK$'000*	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Sub-total *HK$'000*	Sale of beauty products and provision of therapy services *HK$'000*	Provision of management services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Other segment information										
Amounts included in the measure of segment profit/ (loss) and segment assets										
Additions to property, plant and equipment	—	—	—	—	390	390	467	—	13	870
Cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets	—	—	66,883	—	—	66,883	—	—	—	66,883
Depreciation of property, plant and equipment	—	(17)	(24)	—	(26)	(67)	(2,321)	—	—	(2,388)
Gain arising on change in fair value of financial assets at fair value through profit or loss	—	—	27,483	—	—	27,483	—	—	—	27,483

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: Nil).

Segment results represent profit earned/(loss incurred) by each segment without allocation of central administrative expenses including directors' emoluments, share of results of associates, investment and other income, other gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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

— all assets are allocated to operating segments other than amount due from an associate, certain deposits, prepayments, and cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and

— all liabilities are allocated to operating segments other than current tax liabilities and certain accruals, other payables and receipts in advance that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group mainly operates in Hong Kong, Macau and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Continuing operations Revenue from external customers		Discontinued operations Revenue from external customers		Continuing operations Non-current assets*		Discontinued operations Non-current assets*	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Australia	**509**	—	—	—	—	—	—	—
Europe	**10,219**	1,285	—	—	—	—	—	—
Hong Kong	**118,692**	84,753	**37,021**	22,084	**725,530**	430,311	—	30,911
Macau	—	—	—	158	—	—	—	—
The Middle East	**5,706**	—	—	—	—	—	—	—
The PRC	**9,099**	—	—	—	**2,350,469**	—	—	4
The United States of America	**40,555**	2,633	—	—	—	—	—	—
	184,780	88,671	**37,021**	22,242	**3,075,999**	430,311	—	30,915

* Non-current assets excluded deferred tax assets.

Information about major customers

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

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Customer 1[1]	**21,219**	N/A[3]
Customer 2[2]	**N/A[3]**	10,376
Customer 3[2]	**N/A[3]**	10,000
Customer 4[2]	**N/A[3]**	9,113

1 Revenue from sale of jewelry products
2 Revenue from money lending
3 The corresponding revenue did not contribute over 10% of the total revenue of the Group

5. Revenue

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Sale of financial assets at fair value through profit or loss, net	**(14,175)**	(3,918)
Interest income on loans	**72,529**	78,316
Rental income	**9,099**	—
Sale of jewelry products	**117,327**	14,273
	184,780	88,671

Revenue from sale of financial assets at fair value through profit or loss is recorded on a net basis, details of which are as follows:

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Proceeds from sale of financial assets at fair value through profit or loss	**622,551**	46,800
Carrying amounts of financial assets at fair value through profit or loss plus transaction costs	**(636,726)**	(50,718)
	(14,175)	(3,918)

6. Investment and other income

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Dividend income	**3,111**	—
Interest income on bank deposits	**1,148**	2,116
Sundry income	**506**	—
	4,765	2,116

7. Other gains and losses

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets	**74,378**	66,883
Gain arising on change in fair value of investment properties	**604**	—
Gain arising on change in fair value upon conversion of convertible notes receivables	—	133,759
Gain arising on early redemption of convertible notes receivables	—	1,611
Gain on deemed disposal of a subsidiary	**245,072**	—
Gain on deemed disposal of an associate	—	7,669
Gain on disposal of subsidiaries	—	312
Impairment loss recognised in respect of amount due from an associate	**(1,431)**	—
Impairment loss recognised in respect of available-for-sale financial assets reclassified from equity to profit or loss	**(73,500)**	—
Impairment loss recognised in respect of goodwill	**(48,492)**	—
Imputed interest income on convertible notes receivables	—	7,686
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	**(66,286)**	27,483
(Loss)/gain on disposal of property, plant and equipment	**(1)**	130
	130,344	245,533

8. Finance costs

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings	**1,609**	—

9. Income tax expense

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong Profits Tax		
— Current tax	**(8,832)**	(8,975)
— Over provision in prior year	**21**	2,077
	(8,811)	(6,898)
PRC Enterprise Income Tax		
— Current tax	**(1,012)**	—
Deferred taxation credit	**1,570**	—
	(8,253)	(6,898)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the current year.

10. Profit for the year from continuing operations

Profit for the year from continuing operations has been arrived at after charging/(crediting):

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Amortisation of intangible assets	**5,114**	—
Auditors' remuneration:		
— annual audit and interim review	**799**	799
— non-audit services	**2,579**	217
	3,378	1,016
Cost of inventories sold	**92,798**	11,845
Depreciation of property, plant and equipment	**3,869**	67
Net foreign exchange loss	**145**	36
Operating lease rentals in respect of rental premises	**1,955**	1,562
Operating lease rentals in respect of operating rights	**4,318**	—
Less: operating lease rentals capitalised	**(2,856)**	—
	1,462	—
Equity-settled share-based payment expenses in respect of consultancy services	**5,400**	6,576
Staff costs (including directors' emoluments):		
— salaries and other allowances	**23,214**	17,210
— discretionary bonuses	**23,585**	9,182
— contributions to retirement benefits scheme	**360**	139
— equity-settled share-based payment expenses	**12,400**	3,813
	59,559	30,344
Gross rental income from investment properties and operating rights	**(9,099)**	—
Less: direct operating expenses incurred for investment properties and operating rights that generated rental income during the year	**2,950**	—
Less: direct operating expenses incurred for investment properties and operating rights that did not generate rental income during the year	**45**	—
	(6,104)	—

11. Discontinued operations

On 6 November 2015, EDS Wellness Holdings Limited ("**EDS Wellness**", now known as SkyNet Group Limited and stock code: 8176), a then 70.18% owned subsidiary of the Company, allotted and issued 345,000,000 new shares and 30,000,000 new convertible preferred shares to six subscribers. As a result, the Group's shareholding interests in EDS Wellness was diluted from 70.18% to 12.51% and EDS Wellness has ceased to be a subsidiary of the Company. EDS Wellness carried out all of the Group's sale of beauty products and provision of therapy services operations.

The provision of management services operation was disposed of on 11 June 2014.

The loss for the year from the discontinued sale of beauty products and provision of therapy services, and provision of management services operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the sale of beauty products and provision of therapy services operations as discontinued operations.

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Loss on sale of beauty products and provision of therapy services operations for the year	**(22,988)**	(46,265)
Profit on provision of management services operations for the year	—	153
Gain on deemed disposal of sale of beauty products and provision of therapy services operations	**245,072**	—
Gain on disposal of provision of management services operations	—	312
	222,084	(45,800)

The results of the discontinued operations for the current and prior years are as follows:

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Revenue	**37,021**	22,242
Cost of sales	**(26,694)**	(15,155)
Gross profit	**10,327**	7,087
Investment and other income	**239**	1,689
Other gains and losses	**(139)**	(45,124)
Selling and distribution expenses	**(2,004)**	(941)
Administrative expenses	**(29,886)**	(7,588)
Loss from operations	**(21,463)**	(44,877)
Finance costs	**(854)**	(406)
Loss before taxation	**(22,317)**	(45,283)
Income tax expense	**(671)**	(829)
Loss for the year from discontinued operations	**(22,988)**	(46,112)

The cash flows of the discontinued operations for the current and prior years are as follows:

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Net cash inflow/(outflow) from operating activities	**130,409**	(1,259)
Net cash inflow/(outflow) from investing activities	**5,312**	(412)
Net cash outflow from financing activities	**(342)**	(2,410)
Net cash inflow/(outflow)	**135,379**	(4,081)

Loss for the year from discontinued operations has been arrived at after charging/(crediting):

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Auditors' remuneration	**29**	500
Cost of inventories sold	**5,192**	3,011
Depreciation of property, plant and equipment	**3,869**	2,321
Gain on disposal of subsidiaries	**—**	(1,359)
Gain on disposal of trademark	**—**	(350)
Impairment loss recognised in respect of other receivables	**—**	46,519
Loss/(gain) on disposal of property, plant and equipment	**136**	(9)
Write-down of inventories	**3**	1
Written-off of property, plant and equipment	**—**	322

12. Earnings/(loss) per share

From continuing and discontinued operations

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

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company	**105,256**	238,077

	For the year ended 31 December	
	2015	2014
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,131,842**	531,966
Effect of dilutive potential ordinary shares: Share options issued by the Company	**32,144**	990
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,163,986**	532,956

From continuing operations

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

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit for the year from continuing operations attributable to owners of the Company	**122,589**	271,412

The denominators used are same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations

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

	For the year ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss for the year from discontinued operations attributable to owners of the Company	**(17,333)**	(33,335)

The denominators used are same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

13. Loans receivables

	2015	2014
	HK$'000	*HK$'000*
Loans to customers	**480,456**	941,000
Accrued interest receivables	**5,021**	9,549
	485,477	950,549

All loans are denominated in Hong Kong Dollars. The loans receivables carry effective interest ranging from 8% to 15% per annum (2014: 8% to 20% per annum). A maturity profile of the loans receivables (net of impairment loss recognised, if any) at 31 December 2015 and 2014, based on the maturity date is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current assets		
Within one year	**23,021**	720,549
Non-current assets		
Over one year but within two years	**462,456**	230,000
	485,477	950,549

At 31 December 2015, certain loans amounted to HK$58,000,000 (2014: HK$206,000,000) are secured by personal guarantees, undated share charges and the pledge of the customers' properties.

14. Trade receivables

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**62,233**	17,628
Less: allowance for doubtful debts	**—**	(396)
	62,233	17,232

The following is an aged analysis of the trade receivables (net of allowance for doubtful debts, if any) at the end of the reporting period presented based on the invoice dates:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**23,055**	13,549
31-60 days	**20,326**	2,783
61-90 days	**11,345**	818
91-120 days	**5,776**	82
121-180 days	**965**	—
Over 180 days	**766**	—
	62,233	17,232

The Group allows credit period ranging from 0 to 180 days to its customers. The Group assesses the credit status and imposes credit limits for the customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$1,292,000 (2014: Nil) which are past due as at the reporting date for which the Group has not provided for impairment loss. The management believes that there has not been a significant change in credit risk and the balances are still considered fully recoverable as these customers have good track records with the Group. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	2015	2014
	HK$'000	*HK$'000*
Less than 30 days past due	**531**	—
30 to 90 days past due	**406**	—
Over 90 days past due	**355**	—
	1,292	—

Movement in the allowance for doubtful debts during the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**396**	396
Amounts written off as uncollectible	**(396)**	—
At 31 December	**—**	396

15. Trade payables

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**40,220**	13,165

The following is an analysis of trade payables by age based on the invoice dates:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**13,819**	7,347
31 – 60 days	**12,500**	2,524
61 – 90 days	**4,661**	3,241
91 – 120 days	**4,894**	20
Over 120 days	**4,346**	33
	40,220	13,165

The average credit period on purchase of goods and services is 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

On 11 June 2014, the Group disposed of the entire issued share capital of Rich Daily Group Limited ("**Rich Daily**"), a then wholly owned subsidiary of the Company. Accordingly, the results of Rich Daily are presented separately as discontinued operations in the year ended 31 December 2014 for financial reporting purpose. The principal activity of Rich Daily is the provision of management services.

On 6 November 2015, EDS Wellness Holdings Limited ("**EDS Wellness**", now known as SkyNet Group Limited and stock code: 8176), a then 70.18% owned subsidiary of the Company, allotted and issued 345,000,000 new shares and 30,000,000 new convertible preferred shares to six subscribers. As a result, the Group's shareholding interest in EDS Wellness was diluted from 70.18% to 12.51% and EDS Wellness has ceased to be a subsidiary of the Company. Accordingly, the results of EDS Wellness and its subsidiaries (collectively, the "**EDS Wellness Group**") are presented separately as discontinued operations in the year ended 31 December 2015 for financial reporting purpose. The EDS Wellness Group is principally engaged in the development, distribution and marketing of personal care treatments, products and services.

Profit attributable to owners of the Company for the year ended 31 December 2015 amounted to HK$105,256,000, a 55.79% decrease from HK$238,077,000 for the previous year. The decrease in profit attributable to owners of the Company is due to the decrease in profit for the year from continuing operations, which is discussed below.

Results of continuing operations

During the year ended 31 December 2015, the Group recorded revenue of HK$184,780,000, a 108.39% increase from HK$88,671,000 for the previous year. The increase in revenue was attributable to (i) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014, (ii) the increased sale and marketing efforts in direct selling the Group's jewelry products to Europe, the Middle East and the United States of America (the "**US**") and (iii) the expansion of the Group's property investment business into Mainland China in the fourth quarter of 2015. Of the total revenue, HK$72,529,000 was generated from money lending, HK$117,327,000 was generated from sale of jewelry products, HK$9,099,000 was generated from property investment and a loss of HK$14,175,000 was generated from sale of financial assets. Profit for the year from continuing operations amounted to HK$122,589,000, a 54.83% decrease from HK$271,412,000 for the previous year. This decrease was mainly attributable to (i) the recognition of a loss of HK$66,286,000 arising on change in fair value of financial assets at fair value through profit or loss, whereas a gain of HK$27,483,000 was recognised in the previous year and (ii) a HK$42,835,000 increase in administrative expenses.

Gross profit for sale of jewelry products increased by 910.67% from HK$2,427,000 in the year ended 31 December 2014 to HK$24,529,000 in the year ended 31 December 2015 due to (i) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014 and (ii) the increased sale and marketing efforts in direct selling the Group's jewelry products to Europe, the Middle East and the US. Gross profit margin for sale of jewelry products improved from 17.00% in the year ended 31 December 2014 to 20.91% in the year ended 31 December 2015. Such improvement was attributable to the increase in direct selling the Group's jewelry products to customers in Europe, the Middle East and the US.

Investment and other income increased by 125.19% from HK$2,116,000 for the year ended 31 December 2014 to HK$4,765,000 for the year ended 31 December 2015. This increase was mainly attributable to the dividend income of HK$3,111,000 received from the Group's equity portfolio during the year ended 31 December 2015.

Other gains and losses represent items of income and expenses, which are material and/or extraordinary in nature. Major items of other gains and losses recorded by the Group during the year are as follows:

(a) In April 2015, the Group disposed of 70,840,000 shares in Lajin Entertainment Network Group Limited ("**Lajin Entertainment**", formerly known as China Star Cultural Media Group Limited and stock code: 8172) at an average price of approximately HK$1.41 per share on open market pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 13 January 2015 and recognised a cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets of HK$74,378,000.

(b) On 6 November 2015, EDS Wellness allotted and issued 345,000,000 new shares and 30,000,000 new convertible preferred shares to the six subscribers. As a result, the Group's shareholding interest in EDS Wellness was diluted from 70.18% to 12.51% and EDS Wellness has ceased to be a subsidiary of the Company. Accordingly, the Group was deemed to dispose of a 57.67% shareholding interest in EDS Wellness and recognised a gain of HK$245,072,000 on deemed disposal of a subsidiary.

(c) At the end of the reporting period, the Group remeasured its investment in 52,500,000 shares in EDS Wellness at market price and recognised an impairment loss in respect of available-for-sale financial assets reclassified from equity to profit or loss of HK$73,500,000.

(d) At the end of the reporting period, the directors performed impairment tests in respect of the goodwill and the intangible assets arising from the acquisition of the entire issued shares in and the shareholder's loan due by Smart Title Limited ("**Smart Title**") with reference to the valuation reports prepared by an independent valuer and recognised an impairment loss in respect of goodwill of HK$48,492,000.

(e) At the end of the reporting period, the Group remeasured its equity portfolio at market prices and recognised a loss of HK$66,286,000 arising on change in fair value of financial assets at fair value through profit or loss.

Selling and distribution expenses mainly represent staff costs of sales team and overseas travelling expenses incurred by the Group's design and sale of jewelry products business. Selling and distribution expenses increased by 793.40% from HK$409,000 in the year ended 31 December 2014 to HK$3,654,000 in the year ended 31 December 2015. This increase was attributable to (i) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014 and (ii) the increased sale and marketing efforts in direct selling the Group's jewelry products to Europe, the Middle East and the US.

Administrative expenses amounted to HK$88,036,000 for the year ended 31 December 2015, a 94.77% increase from HK$45,201,000 for the previous year. This increase was mainly attributable to (i) the increase of HK$14,403,000 in discretionary bonuses paid to the directors and staff, (ii) the increase of HK$7,411,000 in equity-settled share-based payment expenses arising from the grant of share options, (iii) the increase of HK$6,835,000 in legal and professional fees due to the increased corporate activities in acquiring companies for expanding the Group's property investment business into Mainland China, (iv) the first year recognition of amortisation of intangible assets of HK$5,114,000, and (v) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014.

For the year ended 31 December 2015, Spark Concept Group Limited ("**Spark Concept**"), a 49% owned associate of the Group, and its subsidiaries (collectively, the "**Spark Concept Group**") reported a consolidated loss of HK$2,728,000. As the Group's share of post-acquisition losses equals to its interests in Spark Concept, no further share of loss for the year was recognised.

Finance costs represent interest on mortgage loan paid by the Group.

Income tax expense increased from HK$6,898,000 in the year ended 31 December 2014 to HK$8,253,000 in the year ended 31 December 2015. Such increase was mainly attributable to the decrease in prior year over-provision from HK$2,077,000 in the year ended 31 December 2014 to HK$21,000 in the year ended 31 December 2015.

Results of discontinued operations

Loss from discontinued operations for the year ended 31 December 2015 amounted to HK$22,988,000, which represents the results of the EDS Wellness Group attributable to the Group for the period from 1 January 2015 to 6 November 2015, being the date on which EDS Wellness ceased to be a subsidiary of the Company. The operations of the EDS Wellness Group are discussed in Operations Review below.

Liquidity and financial resources

During the year, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, issue of new shares and borrowings. Equity attributable to owners of the Company increased from HK$2,144,651,000 at 31 December 2014 to HK$3,352,310,000 at 31 December 2015. This increase was mainly attributable to (i) the increase in share capital and share premium by HK$1,164,819,000 resulted from the allotment and issue of 2,132,333,243 new shares during the year and (ii) the increase in retained profits by HK$69,364,000.

At 31 December 2015, the cash and cash equivalents of the Group amounted to HK$509,341,000 (2014: HK$384,778,000).

At 31 December 2015, the total borrowings of the Group amounted to HK$214,007,000 (31 December 2014: HK$10,374,000), comprising (i) the mortgage loan of RMB154,110,000 (equivalent to HK$184,007,000), which is carrying floating rate at the benchmark interest rate of The People's Bank of China upward by 10.00% per annum, secured by the Group's investment property located at No. 33 Nonglinxia Road, Yuexiu District, Guangzhou, Mainland China (the "**Guangzhou Property**") and maturing on 21 April 2022 and (ii) a promissory note of HK$30,000,000 issued to Sino Credit Holdings Limited ("**Sino Credit**", stock code: 628), which is non-interest bearing, unsecured and maturing within three business days after the date of a final and effective judgement or an effective and binding settlement agreement of the lawsuit between the Group and Zhanjiang City No. 4 Construction Engineering Co., Ltd (湛江市第四建築工程有限公司, the "**Contractor**"), a construction engineering company, in respect of not paying certain payment under the construction contract of the Guangzhou Property. The increase in borrowings was attributable to the initial recognition of the mortgage loan obtained by a wholly owned subsidiary of Best Volume Investments Limited ("**Best Volume**") and the issue of the promissory note for settling part of the consideration upon completion of the acquisition of the entire issued share capital of Best Volume on 12 November 2015.

Gearing ratio

At 31 December 2015, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 6.38% (2014: 0.48%).

Net current assets and current ratio

At 31 December 2015, the Group's net current assets and current ratio were HK$965,369,000 (2014: HK$1,695,226,000) and 3.50 (2014: 20.52) respectively.

Capital structure

During the year, the capital structure of the Company had the following changes:

(a) In June 2015, the Company allotted and issued 42,330,000 new shares at a subscription price of HK$0.69 per share pursuant to the exercise of share options granted to a director, the employees and external consultants of the Group under the Company's share option scheme.

(b) On 24 August 2015, the Company allotted and issued 590,003,243 new shares at a subscription price of HK$0.70 per share by way of rights to the qualifying shareholders of the Company on the basis of one new share to every one existing share held on 28 July 2015. The net proceeds from the rights issue of HK$403,172,000 were used for settling part of the consideration for the acquisition of the entire issued shares in and the shareholder's loan due by Smart Title on 6 October 2015.

(c) On 6 October 2015, the Company allotted and issued 1,500,000,000 new shares at an issue price of HK$0.70 per share to the shareholders of China Jiuhao Health Industry Corporation Limited ("**Jiuhao Health**", stock code: 419) pursuant to the exercise of the share entitlement note issued to Jiuhao Health in satisfaction of part of the consideration for the acquisition of the entire issued shares in and the shareholder's loan due by Smart Title.

Use of proceeds from a fund raising activity

On 24 January 2013, the Company raised HK$29,931,000 by way of placing of 47,000,000 new shares under general mandate at a price of HK$0.645 per share. The net proceeds from the placing were intended to be used for property investment in Hong Kong in order to enrich the Group's investment property portfolio. On 7 September 2015, the Company announced the allocation of the net proceeds from the placing to finance part of the consideration for the acquisition of the entire issued share capital of Best Volume. On 12 November 2015, the net proceeds from the placing of HK$29,931,000 were used for settling part of the consideration.

Material acquisitions

During the year, the Group had the following material acquisitions:

(a) On 6 October 2015, the Group acquired the entire issued shares in and the shareholder's loan due by Smart Title at a consideration of HK$1,650,000,000, of which HK$600,000,000 was settled by cash and HK$1,050,000,000 was settled by the allotment and issue of 1,500,000,000 new shares at an issue price of HK$0.70 per share. Smart Title and its subsidiaries have two major assets, which are (i) the rights to manage and operate a membership-based golf club and resort in Beijing, Mainland China (the "**Club**") up to 31 December 2051 and (ii) the rights to develop and operate a piece of 580 Chinese arces land adjacent to the Club (the "**Subject Land**") and the rights to manage the properties erected on the Subject Land up to 30 January 2062. The acquisition constitutes a very substantial acquisition of the Company under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and was approved by the shareholders at the Company's special general meeting held on 17 September 2015.

(b) On 12 November 2015, the Group acquired the entire issued share capital of Best Volume at a consideration of HK$400,000,000, of which HK$370,000,000 was settled by cash and HK$30,000,000 was settled by the issue of the promissory note. The principal asset of Best Volume and its subsidiaries is the Guangzhou Property. The acquisition constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 6 November 2015.

Material disposals

During the year, the Group had the following material disposals:

(a) In April 2015, the Group disposed of 1,723,854,545 shares in China Star Entertainment Limited ("**China Star**", stock code: 326) at an average price of approximately HK$0.133 per share on open market pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 18 December 2014. The disposal constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 18 December 2014.

(b) In April 2015, the Group disposed of 70,840,000 shares in Lajin Entertainment at an average price of approximately HK$1.41 per share on open market pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 13 January 2015. The disposal constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 13 January 2015.

(c) On 6 November 2015, EDS Wellness allotted and issued 345,000,000 new shares and 30,000,000 new convertible preferred shares to the six subscribers. As a result, the Group was deemed to dispose of a 57.67% shareholding interest in EDS Wellness and has lost its control over EDS Wellness. The deemed disposal of the shareholding interest in EDS Wellness constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 30 October 2015. Upon the allotment and issue of 345,000,000 new shares and 30,000,000 new convertible preferred shares on 6 November 2015, EDS Wellness has ceased to be a subsidiary of the Company and the Group's investment in EDS Wellness has been accounted for as available-for-sale financial assets.

Pledge of assets

At 31 December 2015, the Guangzhou Property with a carrying amount of HK$595,448,000 has been pledged to secure the mortgage loan granted to the Group.

Material commitments

At 31 December 2015, the Group had a total commitment of HK$52,329,000 relating to the capital expenditures for the Subject Land which were contracted but not provided for.

Exchange risk and hedging

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars, United States dollars, Euro and Renminbi. The Group is exposed to exchange risk with respect mainly to Renminbi and Euro which may affect its performance. The directors closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. During the year, no financial instruments for hedging purposes were used by the Group.

Contingent liabilities

At 31 December 2015, the Group had the following material contingent liabilities:

(a) On 15 April 2010, a claim was brought by China Finance & Assets Management Limited ("**China Finance**") in High Court Action No. 526 of 2010 against Rexdale Investment Limited ("**Rexdale**"), a wholly owned subsidiary of the Company, for failing to pay a service fee in the sum of HK$25,000,000 to China Finance. No provision for the claim was made in the consolidated financial statements of the Group for the year ended 31 December 2015 as Lafe Corporation Limited, the beneficial owner of Rexdale prior to the acquisition of the entire issued share capital of Rexdale by One Synergy Limited ("**One Synergy**") in December 2010, has undertaken to indemnify and keep indemnified the Group against any and all losses, claims, damages, penalties, actions, demands, proceeding, judgment and costs arising from or in connection with the claim.

(b) On 20 March 2014, the Company announced that it came to its attention that a writ of summons in High Court Action No. 9 of 2014 was issued by The Grande Holdings Limited (in liquidation), Roderick John Sutton (as joint and several provisional liquidator of The Grande Holdings Limited), Fok Hei Yu (as joint and several provisional liquidator of The Grande Holdings Limited) and 65 other companies listed as plaintiffs against 25 defendants inclusive of One Synergy, a company acquired by the Group in December 2011. One Synergy has, as at the date of this results announcement, not been served with the writ.

The action alleges, inter alia, that One Synergy is liable to the plaintiffs as a constructive trustee and/or by way of equitable compensation and/or an accounts of profits and/or restitution and/or damages as a knowing recipient and/or by reason of the knowing or dishonest assistance in the breaches of trust and/or breaches of fiduciary duties by various of the defendants and/or by reason of dealings between One Synergy and the plaintiffs otherwise being voidable (and avoided), void, unlawful or illegal, in respect of its receipt of the shares in The Grande Properties Ltd. (now known as Rexdale).

Riche (BVI) Limited, a wholly owned subsidiary of the Company, acquired the entire issued share capital of Adelio Holdings Limited, which is the holding company of One Synergy, from Vartan Holdings Limited, an independent third party, pursuant to a sale and purchase agreement dated 25 May 2011. One Synergy acquired the entire issued share capital of Rexdale from Lafe Corporation Limited, being one of the defendants, pursuant to a sale and purchase agreement dated 31 December 2010 (the "**Agreement**"). The entire issued share capital of Rexdale was sold by The Grande (Nominees) Ltd., being one of the plaintiffs, and The Grand Limited to Lafe Corporation Limited on or about 29 June 2007. The principal assets of Rexdale were the whole of the 1st floor and the flat roof, the whole of 6th to 12th floors, roof, external walls, two lavatories, three lorry parking spaces and eight private car parking spaces on the ground floor of an industrial building located in Kwun Tong, Kowloon, Hong Kong with a total gross floor of approximately 139,412 square feet exclusive of lavatories, lorry and private car parking spaces, flat roof and roof (collectively, the "**Kwun Tong Properties**"). The Kwun Tong Properties was sold by Rexdale to Grand Reward Limited, an independent third party, in July 2013.

One Synergy has sought counsel opinion on the writ and has been advised to defend the plaintiffs' claim in the said action. Counsel has advised that, based upon available evidence, there is nothing unusual in the Agreement and One Synergy would not have any express or constructive notice of the plaintiffs' alleged irregularities and/or fraudulent acts of the former directors and/or management officers of the plaintiffs and One Synergy should not be held liable to any part of the plaintiffs' claim and has good and valid defence thereto.

(c) On 1 April 2015, the Contractor commenced a lawsuit against Guangzhou Yingrui Real Estate Development Co., Ltd. (廣州市迎瑞房地產開發有限公司, "**Yingrui**"), a wholly owned subsidiary of the Company, at the People's Court of Yuexiu District, Guangzhou City with respect to certain outstanding payment of approximately RMB11,427,000 (not including accrued interest) (equivalent to HK$13,644,000) under the construction contract between Yingrui and the Contractor for the construction of the Guangzhou Property. The disputed amount of the lawsuit includes working progress fee of RMB1,420,000 (equivalent to HK$1,696,000), performance bond of RMB1,000,000 (equivalent to HK$1,194,000) and construction fee of approximately RMB9,007,000 (equivalent to HK$10,754,000). On 7 April 2015, the People's Court of Yuexiu District, Guangzhou City upon application of the Contractor, issued a seizure order on certain units within the Guangzhou Property to protect the interest of the Contractor to the extent of approximately RMB15,000,000 (equivalent to HK$17,910,000) in value. The lawsuit is now pending further review by the People's Court of Yuexiu District, Guangzhou City.

No provision for the lawsuit was made in the consolidated financial statements of the Group for the year ended 31 December 2015 as Best Volume has secured an unconditional undertaking from Ace Guide Holdings Limited, the ultimate beneficial owner of Yingrui prior to the acquisition by Best Volume in October 2014, under which Ace Guide Holdings Limited has agreed to pay to Best Volume or its assignee by way of damages an amount equal to any and all losses incurred by Yingrui and/or Best Volume resulting from, arising out of or in relation to the lawsuit, including without limitation payment under final effective judgment or settlement, and all other costs and expenses incurred in relation to the lawsuit.

Employees and remuneration policy

At 31 December 2015, the headcount of the Group was 32 (2014: 21). Staff costs (including directors' emoluments) amounted to HK$59,559,000 (2014: HK$30,344,000). The increase in staff costs was mainly attributable to (i) the increase of HK$14,403,000 in discretionary bonuses paid to the directors and staff, (ii) the increase of HK$8,587,000 in equity-settled share-based payment expenses arising from the grant of share options to the directors and employees of the Group and (iii) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014. In addition to basic salaries, contributions to retirement benefits scheme and discretionary bonus, staff benefits include medical scheme and share options.

Key performance indicators

The Company has defined the following key performance indicators ("**KPIs**") which are closely aligned with the performance of the Group.

		For the year ended 31 December	
	Notes	**2015**	2014
Revenue	*1*	**HK$184,780,000**	HK$88,671,000
Profit for the year attributable to owners of the Company		**HK$105,256,000**	HK$238,077,000
Equity attributable to owners of the Company		**HK$3,352,310,000**	HK$2,144,651,000
Return on financial assets at fair value through profit or loss	*2*	**(5.99)%**	3.79%
Return on loans receivables	*3*	**8.80%**	8.69%
Return on capital employed in design and sale of jewelry products	*4*	**36.17%**	3.14%
Return on investment properties	*5*	**0.46%**	Nil

Notes:

1. The figure for 2014 is restated to exclude the impact of discontinued operations.

2. Return on financial assets at fair value through profit or loss includes gains and losses arising on change in fair value, gains and losses on disposal and dividend income. It is measured as a percentage against opening fair value of financial assets at fair value through profit or loss and total investments made at cost.

3. Return on loans receivables includes interest income and impairment loss recognised. It is measured as a percentage against average loans receivables (excluding accrued interest receivables).

4. Return on capital employed in design and sale of jewelry products represents segment profit or loss from design and sale of jewelry products business divided by average capital employed and is measured as a percentage.

5. Return on investment properties includes gains and losses arising on change in fair value, rental income and gains and losses on disposal less amortisation of intangible assets in respect of the Club, depreciation expense of property, plant and equipment of the Club and operating lease rentals in respect of the Club. It is measured as a percentage against opening fair value of investment properties, opening carrying amounts of intangible assets in respect of the Club and opening carrying amounts of property, plant and equipment of the Club.

Commentary on the performance of the Group against each of these KPIs is set out above and Operations Review below.

These KPIs are reviewed regularly and amended occasionally to correspond with the changing mix of the Group's principal activities.

Operations Review

During the year, no revenue was generated from the Group's film distribution business as the Group was not able to secure quality films at reasonable prices for distribution.

During the year, the Group acquired Hong Kong equities with market value of HK$692,505,000. The Group's sale of financial assets business recorded a loss on revenue of HK$14,175,000, which represents a loss of HK$10,295,000 on disposal of Hong Kong equities and a loss of HK$3,880,000 on disposal of 1,723,854,545 shares in China Star pursuant to the 12-month mandate granted to the directors by the shareholders at the Company's special general meeting held on 18 December 2014. At 31 December 2015, the Group remeasured its equity portfolio at market prices and recorded a loss of HK$66,286,000 arising on change in fair value of financial assets at fair value through profit or loss due to the poor market sentiment sparked by concerns over Mainland China's slowing economy. Return on financial assets at fair value through profit or loss for the year ended 31 December 2015 is (5.99)% (2014: 3.79%). The negative return for the year was mainly due to the increase in loss on sale of financial assets from HK$3,918,000 to HK$14,175,000 and the recognition of a loss of HK$66,286,000 arising on change in fair value of financial assets at fair value through profit or loss, whereas a gain of HK$27,483,000 was recognised in the previous year.

On 28 June 2013, the shareholders granted a 12-month mandate to the directors for disposing of the shares in China Star held by the Group. The Group disposed of 2,369,934,650 shares in China Star under the 12-month mandate granted on 28 June 2013. Such 12-month mandate was expired on 27 June 2014. On 7 November 2014, the directors proposed to seek an approval from the shareholders for granting another 12-month mandate to the directors for disposing of the remaining 1,723,854,545 shares in China Star held by the Group. The 12-month disposal mandate for disposing of the remaining 1,723,854,545 shares in China Star constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the special general meeting of the Company on 18 December 2014. In April 2015, the Group disposed of 1,723,854,545 shares in China Star at an average selling price of approximately HK$0.133 per share on open market and recognised a loss of HK$3,880,000 in its sale of financial assets business.

On 5 December 2014, the directors proposed to seek an approval from the shareholders for granting the 12-month mandate to the directors for disposing of up to 146,640,000 shares in Lajin Entertainment held by the Group. The 12-month disposal mandate for disposing of up to 146,640,000 shares in Lajin Entertainment constitutes a major transaction of the Company under the Listing Rules and was approved by the shareholders at the special general meeting of the Company on 13 January 2015. Prior to the grant of the 12-month disposal mandate, the Group disposed of 75,800,000 shares in Lajin Entertainment in a series of transactions on open market on 19 December 2014. In April 2015, the Group disposed of the remaining 70,840,000 shares in Lajin Entertainment at an average selling price of approximately HK$1.41 per share on open market. As a result, the Group recognised a cumulative gain reclassified from equity to profit or loss upon derecognition of available-for-sale financial assets of HK$74,378,000.

During the year, the Group's money lending business generated interest income on loans of HK$72,529,000, a 7.39% decrease from HK$78,316,000 for the previous year. This decrease was attributable to (i) certain customers early repaid their outstanding loans prior to maturity and (ii) certain internal cash resources of the Group was utilised to finance the acquisitions of the entire issued share capital in and the shareholder's loan due by Smart Title and the entire issued share capital of Best Volume. The average monthly balance of loans receivables decreased from HK$901,065,000 in the year ended 31 December 2014 to HK$824,071,000 in the year ended 31 December 2015. During the year, the Group granted new loans in the aggregate principal amount of HK$953,456,000 to its customers and received prepayment and repayment of HK$1,414,000,000 from its customers. At the end of the reporting period, the directors assessed the collectability of loans receivables. As there was no objective evidence that the Group would not be able to collect all amounts due, no impairment loss on loans receivables was recognised. At 31 December 2015, the Group's loans receivables together with accrued interest receivables amounted to HK$485,477,000 (2014: HK$950,549,000). Return on loans receivables for the year ended 31 December 2015 is 8.80%, which is fairly constant with 8.69% in the previous year.

During the year, the Group's design and sale of jewelry products business generated revenue of HK$117,327,000, a 722.02% increase from HK$14,273,000 for the previous year, and a segment profit of HK$14,838,000, a 2,189.81% increase from HK$648,000 for the previous year. The increase in revenue and segment profit was mainly attributable to (i) the full year effect of the Group's design and sale of jewelry products business as it commenced operations in October 2014 and (ii) the increased sale and marketing efforts in direct selling the Group's jewelry products to Europe, the Middle East and the US. During the year, the Group has strengthened its direct export selling and product design capabilities by recruiting a number of experienced sales executives and a designer. At 31 December 2015, the Group's inventories of jewelry products, including raw materials, work-in-progress and finished goods, amounted to HK$41,412,000 (2014: HK$25,177,000) and the Group's design and sale of jewelry products business had undelivered sale orders amounted to HK$1,500,000 (2014: HK$800,000). Return on capital employed in design and sale of jewelry products for the year ended 31 December 2015 is 36.17% (2014: 3.14%). This increase was mainly due to the strong performance of the Group's design and sale of jewelry products business in the year ended 31 December 2015.

To expand its property investment business into Mainland China, the Company as purchaser entered into a conditional sale and purchase agreement with Unique Talent Group Limited, a wholly owned subsidiary of Jiuhao Health, as vendor and Jiuhao Health as guarantor relating to the proposed acquisition of the entire issued shares in and the shareholder's loan due by Smart Title at a consideration of HK$1,650,000,000 on 11 December 2014. Smart Title and its subsidiaries have two major assets, which are (i) the rights to manage and operate the Club up to 31 December 2051 and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land up to 30 January 2062. Both the Club and the Subject Land are located in Beijing. The Subject Land is being developed into a low-density deluxe hotel villas community and a high-end hotel apartment complex. The acquisition was completed on 6 October 2015. The Group holds the Club and the Subject Land as long-term investments for rental purposes. Upon completion of the acquisition, a goodwill on acquisition of HK$347,567,000 representing the excess of the fair value of the consideration paid over the net amount of the identifiable assets acquired and the liabilities assumed by the Group at 6 October 2015 and the intangible assets of HK$996,009,000 relating to (i) the rights to manage and operate the Club and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land were recognised. At the end of the reporting period, the directors performed impairment tests in respect of the goodwill and the intangible assets arising from the acquisition with reference to the valuation reports prepared by the independent valuer and determined to recognise an impairment loss in respect of goodwill of HK$48,492,000.

Upon completion of the acquisition, the assets of the Club have been leased to 海口九號酒店管理有限公司北京分公司 (Haikou No. 9 Hotel Management Company Limited, Beijing Branch, "**BJ Haikou No. 9 Co**"), a branch of an indirect wholly owned subsidiary of Jiuhao Health for an initial term of 20 years, which may be further extended up to 31 December 2051 if BJ Haikou No. 9 Co requests so within a six-month period before the expiry of the initial 20 year-term. There are four rental periods of five years each during the initial term of 20 years (and three additional rental periods of five years each if the lease is extended to 31 December 2051). If BJ Haikou No. 9 Co would like to terminate the lease agreement, BJ Haikou No. 9 Co must give notice to the Group at least six months prior to the expiry of the then five-year rental period. BJ Haikou No. 9 Co cannot terminate the lease agreement during the first five-year rental period. The aggregate rent for the first five years is RMB90,000,000 (equivalent to HK$108,000,000) which has been paid by BJ Haikou No. 9 Co to the Group prior to the commencement of the first five-year rental period. The rental payment shall increase by 30% in each of the subsequent five-year rental period and shall be payable by BJ Haikou No. 9 Co to the Group in one lump sum prior to the commencement of the relevant five-year rental period. During the period from 6 October 2015 to 31 December 2015, the assets of the Club generated rental income of HK$5,456,000 to the Group.

The development of the Subject Land is divided into three phases, in which the first phase involves erecting nine hotel villas with a total gross floor area of 21,661 square meters, the second phase involves erecting 29 hotel villas with a total gross floor area of 33,000 square meters and the third phase is a development of a five-storey high-end hotel apartment complex with restaurants, multi-function room facilities and approximately 100 hotel apartment units with a total gross floor area of 25,000 square meters. The development of the first phase has been commenced and is expected to be completed in the third quarter of 2016. Following the completion of the acquisition of Smart Title in October 2015, the directors have revised the development plan of the Subject Land in light of the Group's future cashflow. The developments of the second and third phases are expected to be commenced in the fourth quarter of 2016 and the second quarter of 2017 respectively. Taking into account the development costs for the first phase development paid by Jiuhao Health prior to the completion of the acquisition, the total budgeted development costs to be incurred by the Group for the Subject Land is RMB921,390,000 (equivalent to HK$1,100,140,000). It is currently expected that the total budgeted development costs of the Subject Land will be financed by the Group's internal resources and the rental income generated from the assets of the Club and the Subject Land. As the entire Subject Land is still at a development stage, no rental income has yet been generated.

To further expand its property investment business in Mainland China, the Group as purchaser entered into a conditional sale and purchase agreement with Sino Credit as vendor relating to the acquisition of the entire issued share capital of Best Volume at a consideration of HK$400,000,000 on 7 September 2015. The principal asset of Best Volume and its subsidiaries is the Guangzhou Property. The acquisition was completed on 12 November 2015. The Group holds the Guangzhou Property as an investment property to earn rental income and for capital appreciation. Upon completion of the acquisition, a goodwill on acquisition of HK$62,899,000, which represents the excess of the fair value of the consideration paid over the net amount of the identifiable assets acquired and the liabilities assumed by the Group at 12 November 2015. At the end of the reporting period, the directors performed an impairment test in respect of the goodwill on acquisition with reference to a valuation report prepared by another independent valuer and determined that no impairment was required.

At 31 December 2015, a total gross floor area of 5,085.77 square meters of the Guangzhou Property has been leased to tenants who are third parties independent of the Group. Basement Levels 2 and 3 of the Guangzhou Property with a total gross floor area of 1,709.77 square meters have been vacant. During the period from 12 November 2015 to 31 December 2015, the Guangzhou Property generated rental income of HK$3,643,000 to the Group.

Return on investment properties for the year ended 31 December 2015 is 0.46% (2014: Nil). There is no return on investment properties in the year ended 31 December 2014 as the Group expanded its property investment business into Mainland China in the fourth quarter of 2015.

With a view to improve profitability, EDS Wellness as issuer entered into a conditional subscription agreement with Xing Hang Limited, Goldenland Mining & Investment Limited, Silver Empire Holding Limited, Truly Elite Limited, High Aim Global Limited and First Bonus International Limited as subscribers relating to the proposed subscription of 345,000,000 new shares in EDS Wellness and 30,000,000 new convertible preferred shares of EDS Wellness on 17 February 2015. The directors believe that the entering into of the conditional subscription agreement represents a good opportunity for EDS Wellness to (i) raise a substantial amount of additional funds for future business development in in-flight WLAN and WIFI engineering and services business in Mainland China which is in a segment difference from the existing business of EDS Wellness, (ii) improve its financial position and liquidity and (iii) leverage on the expertise and business network of Mr. Cai Zhaoyang, who is the major shareholder and the sole director of Xing Hang Limited (the major subscriber), to take advantage of the expected strong growth in the avionic engineering and service sector in Mainland China. Upon completion of the subscription, the Group was deemed to dispose of a 57.67% shareholding interest in EDS Wellness and has lost its control over EDS Wellness. As a result, EDS Wellness has ceased to be a subsidiary of the Company and the Group's investment in EDS Wellness has been accounted for as available-for-sale financial assets. The Group recognised a gain of HK$245,072,000 on deemed disposal of a subsidiary. At the end of the reporting period, the Group remeasured its investment in 52,500,000 shares in EDS Wellness at market price and recognised an impairment loss in respect of available-for-sale financial assets reclassified from equity to profit or loss of HK$73,500,000.

During the period from 1 January 2015 to 6 November 2015 (the date on which the control over EDS Wellness was lost), the EDS Wellness Group incurred a loss of HK$22,988,000 to the Group. The results of the EDS Wellness Group are presented separately as discontinued operations for financial reporting purpose. The performance of EDS Wellness Group remained at a loss situation in the year ended 31 December 2015, which was mainly attributable to the increase in administrative expenses resulted from (i) the development of the provision of in-flight WLAN and WIFI engineering and services business in Mainland China and (ii) the legal and professional fees incurred for the subscription of 345,000,000 new shares in EDS Wellness and 30,000,000 new convertible preferred shares of EDS Wellness to the six subscribers and the legal actions taken for recovering an amount due from Mr. Shum Yeung.

The directors consider that the Group as a shareholder holding investment in EDS Wellness will continue to benefit from the increase in market price of shares of EDS Wellness driven by the improvement of EDS Wellness' profitability. For the purpose of realising the Group's investment in EDS Wellness in an effective and efficient manner, the directors proposed to seek an approval from the shareholders for granting a 12-month mandate for disposing of up to 52,500,000 shares in EDS Wellness on 8 January 2016. The 12-month disposal mandate constitutes a very substantial disposal of the Company under the Listing Rules and is subject to approval by the shareholders at a special general meeting of the Company. The circular for approving the disposal mandate is being prepared by the Company and will be despatched to the shareholders as soon as practicable.

The Spark Concept Group is operating two Japanese noodle shops in Central and Quarry Bay, and a high-end Japanese restaurant in Central. During the year, the Spark Concept Group reported a loss of HK$2,728,000, a 196.52% increase from HK$920,000 for the previous year. As the Group's share of post-acquisition losses equals to its interests in Spark Concept, no further share of losses was recognised for the year. The increase in loss was mainly attributable to (i) the deterioration of operations of the Japanese noodle shop in Hunghom caused by the nearby construction works of Shatin to Central Link and (ii) the pre-operation expenses incurred by the high-end Japanese restaurant in Central. Given that there is a prolonged delay in completing the construction works of Shatin to Central Link, the Japanese noodle shop in Hunghom was closed in February 2016 in order to reduce the operating cash outflow of the Spark Concept Group. To finance its operations, the major shareholder has advanced HK$2,000,000 to the Spark Concept Group. No further cash was advanced to the Spark Concept Group by the Group during the year. In light of the deteriorating results of the Spark Concept Group in the year ended 31 December 2015, an impairment loss of HK$1,431,000 was recognised against the amount due from the Spark Concept Group. At 31 December 2015, the Spark Concept Group owed the Group an amount of HK$7,393,000 (before accumulated impairment of HK$5,296,000), which is unsecured, non-interest bearing and repayable on demand. In view of the fact that Hong Kong people love Japanese food, the Spark Concept Group has opened the high-end Japanese restaurant in Central in October 2015 in order to expand its operations. As announced by the Michelin Guide in November 2015, the Japanese noodle shops in Central and Quarry Bay are again included in the Bib Gourmands in the Michelin Guide Hong Kong Macau 2016.

Future Prospects

Sparked by the newly created circuit breaker system in Mainland China A-share markets and Renminbi hitting fresh lows, investors witnessed turmoil across major equity markets in January 2016. Equity markets were further impacted by worries over slumping oil prices and slowing growth in Mainland China. Investors face a number of uncertainty in 2016, which are the extent of Mainland China's slowdown, weaker oil prices and falling inflation expectation. It is evidenced by the Federal Reserve's recent decision in scaling back the number of times it expects to raise interest rates in 2016. However, the directors recognise that an uncertain outlook can often coincide with a good opportunity to invest. As such, the directors will cautiously monitor Hong Kong equity market, change the Group's equity portfolio mix from time to time and realise the equities held by the Group into cash as and when appropriate. The Group will continue to adopt a conservative investment approach towards its sale of financial assets business in 2016.

Following the active expansion in recent years, the Group's money lending business slowed down its pace in the year ended 31 December 2015 as certain internal cash resources of the Group were utilised to finance the acquisitions of the Club, the Subject Land and the Guangzhou Property. As some of the internal cash resources of the Group are allocated to finance the development of the Subject Land, the Group has recently raised funds from the placing of new shares under general mandate as completed in February 2016. The directors believe the Group has sufficient funds to maintain the current level of operations of its money lending business. Given that concerns about the outlook of Hong Kong's economy are growing, the Group adopts a more cautious approach during its assessment and approval of loans in order to mitigate its credit risk. Accordingly, the directors expect a decline in the Group's money lending business in 2016.

The Hong Kong property market is hampered by the weakening market sentiment. Various factors including higher interest rates in the US, political disputes in Hong Kong, slowing economy in Mainland China and growing housing supply in Hong Kong affect homeowners' confidence causing the prices for certain property transactions significantly lower than market prices in the first quarter of 2016. Despite recent signs of a fall in property prices, Chief Executive Leung Chun-ying said the property cooling measures will stay. As the market has growing concerns about the outlook of Hong Kong's economy, in which tourism and re-exports show signs of weakness, the directors predict that property prices would slide 10% to 15% in 2016. As such, the Group has adopted a wait-and-see approach towards its property investment business in Hong Kong.

In the fourth quarter of 2015, the Group has successfully expanded its property investment business into Mainland China by acquiring the Club, the Subject Land and the Guangzhou Property. Such expansion is for the purpose of creating a stable income stream to the Group. Both the Club and the Guangzhou Property are generating an ongoing rental income to the Group. With approximately 75% of the gross floor area of the Guangzhou Property has been leased to the tenants, the directors are considering various plans to seek tenants for Basement Levels 2 and 3 of the Guangzhou Property in order to increase its occupancy rate. No rental income was generated from the Subject Land during the year due to the Subject Land being developed into a low-density deluxe hotel villas community and a high-end hotel apartment complex. As it is expected that the first phase development of the

Subject Land will be completed in the third quarter of 2016, marketing activities will be carried out in the second quarter of 2016 to secure leases for the nine hotel villas. Accordingly, the directors expect that the rental income of the Group for the year ending 31 December 2016 will increase moderately.

The Group's design and sale of jewelry products business has grown significantly in 2015 as the Group has increased its sale and marketing efforts in direct selling its jewelry products to Europe, the Middle East and the US. Consumer spending in the countries where the Group's ultimate customers located rebounded at a modest pace in 2015. The economy of these countries has been gradually recovered and supported by domestic demand, aided by the improvement in labour market, drop in oil prices and low inflation which gives consumers more disposable income to spend. To stay competitive, the Group is in the process of setting up a wholly owned subsidiary in Dubai for reducing import tax on selling its jewelry products to Europe and the Middle East. The directors anticipate the Group's design and sale of jewelry products business will show a moderate growth in the year ending 31 December 2016.

In 2016, the directors will continue to cautiously monitor the business environment and strengthen the Group's business foundation by focusing the Group's existing businesses. In addition, the directors will continue to cautiously identify suitable investment opportunities for the Group to diversify its businesses and broaden its revenue.

Events after the Reporting Period

Subsequent to 31 December 2015 and up to the date of this results announcement, the Group had the following material events:

(a) On 8 January 2016 and 11 January 2016, the directors proposed to obtain a 12-month mandate from the shareholders for a possible disposal of up to 52,500,000 shares in EDS Wellness held by the Group on open market transactions on the Stock Exchange. The disposal mandate constitutes a very substantial disposal to the Company under the Listing Rules and is subject to approval by the shareholders at a special general meeting of the Company.

(b) On 18 February 2016, the Company allotted and issued 536,000,000 new shares at an issue price of HK$0.125 per share by way of placing of new shares under general mandate raising HK$64,490,000 (net of expenses) for financing the Group's design and sale of jewelry products business and money lending business.

(c) Impacted by worries over slumping oil prices and slowing growth in Mainland China, the fair value of the financial assets at fair value through profit or loss and the available-for-sale financial assets held by the Group decreased from HK$860,330,000 at 31 December 2015 to HK$750,858,000 at the date of this results announcement.

Principal Risks and Uncertainties

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

Principal risks	***Description***	***Mitigating actions***
Strategic risk	Strategic risk is the risk that medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify or implement the correct strategy, or to react appropriately to changes in the business environment.	● Extensive investment management experience of the Board. ● Regularly review on strategy and performance of each business unit. ● Perform comprehensive due diligence on all potential acquisitions.
Economic risk	Economic risk is the risk of any downturn in economic conditions could impact the Group's performance through higher bad debts as a result of customers' inability to repay loans and lower asset values.	● Regularly review forward looking indicators to identify economic conditions.
Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	● Fully understand customers and carry out credit quality assessment on customers before granting loans. ● Regularly monitor loans receivables and assess for their recoverability. ● Limit credit risk exposure by granting loan to any single customer of not more than 8% of the consolidated total assets of the Group. ● Make rental contracts with tenants with an appropriate credit history.

Principal risks	*Description*	*Mitigating actions*
Liquidity risk	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.	● Regularly monitor liquidity and statement of financial position. ● Maintain appropriate liquidity to cover commitments. ● Limit liquidity risk exposure by investing only in securities listed on stock exchanges. ● Ensure acceptable and appropriate finance in place, or believed to be available before committing investment projects.
Price risk	Price risk is the risk that changes in equity prices will affect the Group's income and the value of its holdings of equities.	● Regularly monitor equity portfolio to address any portfolio issues promptly. ● Spread price risk exposure by investing a number of equities.
Exchange risk	Exchange risk is the risk that changes in foreign exchange rates will affect the Group's income and the value of its holdings of assets.	● Closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk.
People risk	People risk is the risk of loss of the services of any directors, senior management and other key personnel which could have a material adverse effect on the Group's businesses.	● Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees we need. ● Ensure that the staff of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work.

Principal risks	*Description*	*Mitigating actions*
Legal and regulatory risk	Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.	● Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. ● Seek legal or other specialist advice as appropriate.

Environment

As the Group is principally engaged in distribution of films, sub-licensing of film rights, sale of financial assets, property investment, money lending, and design and sale of jewelry products, the Group requires limited natural resources to operate and therefore has a relatively low environmental impact. The Group's direct environmental impact comes from its office premises, air travel and fuel consumed by owned motor vehicles. The Group continuously seeks ways to minimise the Group's environmental footprint and improve our energy saving, as well as reducing both emissions and waste.

Source of greenhouse gas emissions	**For the year ended 31 December 2015 CO_2 emissions in kg** *(Note)*
Electricity (office premises)	**52,356**
Air travel	**32,906**
Fuel consumed by owned motor vehicles	**1,062**
Total	**86,324**

Note:

The figures are excluded the impact of discontinued operations.

Compliance with Laws and Regulations

The Group recognises the importance of compliance with the relevant laws and regulations that have a significant impact on its principal activities and the risk of non-compliance with such laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.

During the year, the Group has complied with (i) Money Lenders Ordinance and Money Lenders Regulations for its money lending business in Hong Kong, and (ii) Urban and Rural Planning Law of the People's Republic of China and Construction Law of the People's Republic of China for the development of the Subject Land in Mainland China.

Relationships with Key Stakeholders

The Group believes that sustainable business success and growth depends on the excellent relationships maintained with stakeholders, including employees, customers and suppliers. The Group seeks to act fairly, responsibly and transparently in its operations and relationships with stakeholders.

Employees

The Group has a strong commitment to ensure that all its staff is treated fairly and that the Group provides equal opportunity both to existing employees and in its recruitment process. Merit is the primary basis for employment with the Group. All employees and applicants for employment should be treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes only.

The Group seeks to consider employees from a wide range of backgrounds in its recruitment processes, and the Group does not tolerate any form of harassment or discrimination of employees with regards to race, gender, age, disability, sexual orientation or religion. Active harassment and discrimination in the workplace in any form is unacceptable. The Group regards any actions by an employee that constitute harassment or discrimination as serious misconduct.

The Group has developed and implemented a competitive compensation structure which is key for the Group to help attract, motivate and retain the best talent. In addition to basic salaries, provident fund and discretionary bonus, staff benefits include medical scheme and share options. The Group continually reviews its compensation structure to ensure it remains attractive and competitive.

The training and development of the Group's employees is key to employee retention, and ensuring that its employees continue to have the skills and expertise that is core to the Group's sustainable business success and growth. Employees are encouraged to attend courses, seminars and workshops that are relevant to their jobs and the Group reimburses for related expenses in full. Employees of the Group also have the opportunity to be mentored by the directors, building one-to-one relationships to coach people through their careers.

Customers

The Group believes that customers are vitally important to its sustainable business success and growth. Employees of the Group have a paramount duty to act with integrity, respect, diligence and competence in their dealings with the Group's customers.

To preserve its customer relationships:

(a) the Group does not misrepresent its services or products in any sales or promotional efforts;

(b) the Group communicates clearly so that customers understand the terms of the business relationships, including contracts, performance criteria, schedules, prices and responsibilities; and

(c) the Group protect its customers' confidential information pursuant to contracts with its customers and all applicable privacy laws in the countries in which the Group operates.

Suppliers

The Group views its suppliers as partners who make an important contribution to the Group's sustainable business success and growth. Employees of the Group are expected to be honest and fair in all business interactions with suppliers, which include contractors, consultants and other agents.

The choice of suppliers of goods and services must be made based on the best value received by the Group. In addition, the Group believes in doing business with those suppliers who demonstrate high standards of ethical behaviour. The Group will not knowingly engage suppliers who operate in violation of applicable laws or regulations, including local environmental, employment and safety laws.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2015, except for:

(a) code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies; and

(b) code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company are not appointed for a specific term, but are subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2015.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed this annual results announcement and the annual report of the Company for the year ended 31 December 2015.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 31 March 2016

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton, Mr. Chan Kin Wah Billy and Mr. Cheung Kwok Fan; and three independent non-executive directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.