



GET HOLDINGS LIMITED

智易控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8100)

2015 ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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This announcement, for which the directors (the “Directors”) of GET Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* For identification purposes only

FINANCIAL HIGHLIGHTS

(Audited)

- The turnover of the Group was approximately HK\$324,729,000 for the year ended 31 December 2015, representing an increase of approximately 38.6% as compared to the turnover for the year ended 31 December 2014 of approximately HK\$234,293,000.
- The Group recorded a profit for the year ended 31 December 2015 was approximately HK\$93,423,000, compared to the profit of approximately HK\$88,979,000 for last year.
- Basic earnings per share for profit attributable to owners of the Company for the year ended 31 December 2015 was HK8.51 cents.
- The Board of the Company do not recommend the payment of any dividend for the year ended 31 December 2015.

ANNUAL RESULTS

The board of Directors (the “Board”) of GET Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015 (the “Year”), together with the comparative figures for the year ended 31 December 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

(Expressed in Hong Kong dollars)

	<i>Note</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Turnover	4	324,729	234,293
Cost of sales		<u>(159,577)</u>	<u>(89,629)</u>
Gross profit		165,152	144,664
Other revenue	5	3,581	2,700
Other gains and losses, net	6	49,660	23,951
Selling and administrative expenses		<u>(95,344)</u>	<u>(62,160)</u>
Profit from operations		123,049	109,155
Finance costs	8	(5,635)	(1,209)
Share of (loss)/profit of an associate		<u>(51)</u>	<u>33</u>
Profit before taxation	9	117,363	107,979
Income tax expense	10	<u>(23,940)</u>	<u>(19,000)</u>
Profit for the year		<u>93,423</u>	<u>88,979</u>
Attributable to:			
Owners of the Company		60,510	52,737
Non-controlling interests		<u>32,913</u>	<u>36,242</u>
		<u>93,423</u>	<u>88,979</u>
			(Restated)
Earnings per share	12		
Basic		<u>HK8.51 cents</u>	<u>HK21.56 cents</u>
Diluted		<u>HK8.37 cents</u>	<u>HK19.50 cents</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2015

(Expressed in Hong Kong dollars)

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year		93,423	88,979
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries		30	(31)
Fair value gain on available-for-sale financial assets	<i>17</i>	7,782	5,511
Fair value loss on available-for-sale financial assets	<i>17</i>	(1,309)	(20,732)
Reclassification adjustment to profit or loss on impairment loss on available-for-sale financial assets	<i>17</i>	1,309	20,732
		7,812	5,480
Other comprehensive income for the year, net of tax		7,812	5,480
Total comprehensive income for the year		101,235	94,459
Attributable to:			
Owners of the Company		68,330	58,225
Non-controlling interests		32,905	36,234
		101,235	94,459

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

(Expressed in Hong Kong dollars)

	Note	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment		2,252	3,008
Investment property	13	–	–
Goodwill	14	525,878	525,878
Intangible assets	15	74,416	74,853
Investment in an associate	16	20,900	21,196
Available-for-sale financial assets	17	150,716	73,150
Trade and other receivables	18	24,960	–
		<u>799,122</u>	<u>698,085</u>
Current assets			
Inventories		2,009	14,772
Trade and other receivables	18	71,637	78,195
Financial assets at fair value through profit or loss	19	323,082	–
Derivative financial instruments	23(b)	21,564	–
Pledged bank deposits		2,633	2,431
Cash and cash equivalents		214,277	148,906
		<u>635,202</u>	<u>244,304</u>
Current liabilities			
Trade and other payables	20	53,366	99,065
Performance shares	21	–	14,331
Current tax liabilities		40,942	54,525
		<u>94,308</u>	<u>167,921</u>
Net current assets		<u>540,894</u>	<u>76,383</u>
Total assets less current liabilities		<u>1,340,016</u>	<u>774,468</u>

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		5,170	6,592
Loan notes	22	212,500	–
Convertible notes	23(b)	68,525	–
		<u>286,195</u>	<u>6,592</u>
NET ASSETS		<u>1,053,821</u>	<u>767,876</u>
Capital and reserves			
Share capital		12,346	19,541
Reserves		1,003,607	706,811
		<u>1,015,953</u>	<u>726,352</u>
Equity attributable to owners of the Company		37,868	41,524
Non-controlling interests		<u>1,053,821</u>	<u>767,876</u>
TOTAL EQUITY		<u>1,053,821</u>	<u>767,876</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company										
	Share capital	Share premium	Contributed surplus	Share option reserve	Convertible note equity reserve	Exchange reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014	492,562	46,682	414,679	310	13,809	(60)	–	(414,226)	553,756	35,498	589,254
Profit for the year	–	–	–	–	–	–	–	52,737	52,737	36,242	88,979
Other comprehensive income	–	–	–	–	–	(23)	5,511	–	5,488	(8)	5,480
Total comprehensive income for the year	–	–	–	–	–	(23)	5,511	52,737	58,225	36,234	94,459
Arising from acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	1,729	1,729
Deemed disposal of partial interest in a subsidiary	–	–	–	–	–	–	–	1,026	1,026	976	2,002
Performance shares issued on 6 June 2014 (note 21)	71,552	(38,638)	–	–	–	–	–	–	32,914	–	32,914
Share option lapsed	–	–	–	(310)	–	–	–	310	–	–	–
Share consolidation and capital reduction on 18 July 2014	(550,011)	–	550,011	–	–	–	–	–	–	–	–
Shares issued for acquisition of subsidiaries	1,860	27,535	–	–	–	–	–	–	29,395	–	29,395
Placing of shares	3,193	34,276	–	–	–	–	–	–	37,469	–	37,469
Shares issued on conversion of convertible notes (note 23(a))	385	26,991	–	–	(13,809)	–	–	–	13,567	–	13,567
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(32,913)	(32,913)
Changes in equity for the year	(473,021)	50,164	550,011	(310)	(13,809)	–	–	1,336	114,371	(30,208)	84,163
At 31 December 2014 and at 1 January 2015	19,541	96,846	964,690	–	–	(83)	5,511	(360,153)	726,352	41,524	767,876
Profit for the year	–	–	–	–	–	–	–	60,510	60,510	32,913	93,423
Other comprehensive income	–	–	–	–	–	38	7,782	–	7,820	(8)	7,812
Total comprehensive income for the year	–	–	–	–	–	38	7,782	60,510	68,330	32,905	101,235
Arising from acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	279	279
Deemed disposal of partial interest in a subsidiary	–	–	–	–	–	–	–	–	–	310	310
Recognition of share based payments	–	–	–	2,839	–	–	–	–	2,839	–	2,839
Share consolidation and capital reduction on 24 March 2015	(17,587)	–	17,587	–	–	–	–	–	–	–	–
Performance shares issued on 5 June 2015	165	13,000	–	–	–	–	–	–	13,165	–	13,165
Rights issue of shares on 16 June 2015	5,862	190,685	–	–	–	–	–	–	196,547	–	196,547
Placing of shares	391	17,608	–	–	–	–	–	–	17,999	–	17,999
Equity component of convertible notes (note 23(b))	–	–	–	–	25,555	–	–	–	25,555	–	25,555
Issuance of consideration shares	1,467	51,345	–	–	–	–	–	–	52,812	–	52,812
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(22,663)	(22,663)
Shares issued for purchase of non-controlling interests	2,507	50,640	–	–	–	–	–	–	53,147	–	53,147
Capital injection from non-controlling interests to a subsidiary	–	–	–	–	–	–	–	–	–	383	383
Purchase of non-controlling interests	–	–	–	–	–	–	–	(140,793)	(140,793)	(14,870)	(155,663)
Changes in equity for the year	(7,195)	323,278	17,587	2,839	25,555	–	–	(140,793)	221,271	(36,561)	184,710
At 31 December 2015	12,346	420,124	982,277	2,839	25,555	(45)	13,293	(440,436)	1,015,953	37,868	1,053,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

(Expressed in Hong Kong dollars)

1. CORPORATE INFORMATION

GET Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 30 July 2001 and continued in Bermuda on 9 January 2014. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is located at Room 1703, 17/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

The Company’s shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activity of the Company is investment holding. The Group is principally engaged in (1) research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement, (2) investment in securities, (3) money lending business, (4) provision of insurance and mandatory provident fund schemes brokerage services and (5) provision of corporate management solutions and information technology contract services during the year.

The consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000) unless otherwise stated. Hong Kong dollars (“HK\$”) is the Company’s functional and the Group’s presentation currency.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The Group’s consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and derivatives which are carried at fair values. The principal accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2014 except in relation to the new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA that are adopted for the first time for the current year’s financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2015.

Amendment to HKAS 40 (Annual Improvements to HKFRSs 2011–2013 Cycle)

The amendment clarifies the application of HKFRS 3 and HKAS 40 in respect of acquisitions of investment property. HKAS 40 assists preparers to distinguish between investment property and owner-occupied property, then HKFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendment had no effect on the Group’s consolidated financial statements.

Amendment to HKFRS 8 (Annual Improvements to HKFRSs 2010–2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on the Group's consolidated financial statements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2015. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

List of new and revised HKFRSs in issue but not yet effective

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 27	Equity Method in Separate Financial Statements ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ²

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

² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

³ Effective for annual periods beginning on or after a date to be determined. Early adoption is permitted.

(c) New Hong Kong Companies Ordinance (Cap. 622)

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

(d) Amendments to the Rules Governing the Listing of Securities on the Stock Exchange

The Stock Exchange in April 2015 released revised Appendix 16 of the Rules Governing the Listing of Securities in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. TURNOVER

Turnover represents the sales value of goods and services supplied to customers. An analysis of the Group's turnover for the year is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sales of computer and mobile phone software and toolbar advertisement	137,136	144,191
Loan interest income	5,133	1,105
Provision of insurance and mandatory provident fund schemes brokerage services	71,368	76,507
Provision of corporate management solution and I.T. contract services	108,489	8,422
Commission income from provision of an online shopping platform	1,933	2,947
Revenue from online shopping business	670	621
Provision of website development for e-commerce business	–	500
	<u>324,729</u>	<u>234,293</u>

5. OTHER REVENUE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank interest income	18	7
IT maintenance services income	2,328	1,939
Rental income	250	675
Dividend income	435	–
Others	550	79
	<u>3,581</u>	<u>2,700</u>

6. OTHER GAINS AND LOSSES, NET

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Foreign exchange losses, net	(204)	(114)
Fair value gain on financial assets at fair value through profit or loss	101,901	–
Loss on disposal of available-for-sale financial assets	(11,931)	–
Loss on disposal of financial assets at fair value through profit or loss	(39,346)	–
Gain/(loss) on disposal of subsidiaries	5,302	(326)
Loss on disposal of property, plant and equipment	(92)	–
Impairment loss on property, plant and equipment	–	(176)
Impairment loss on available-for-sale financial assets	(1,309)	(20,732)
Impairment loss on goodwill	–	(8,211)
Impairment loss on intangible assets	(5,946)	(4,875)
Fair value gain on performance shares	1,166	57,323
Fair value gain on investment property	–	1,300
Gain on bargain purchase	35	–
Net sundry income/(expense)	84	(238)
	<u>49,660</u>	<u>23,951</u>

7. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has five reportable segments.

- Research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement (“Software Business”)
- Securities investment (“Securities Investment Business”)
- Money lending (“Money Lending Business”)
- Provision of insurance and mandatory provident fund schemes (“MPF Schemes”) brokerage services (“Insurance and MPF Schemes Brokerage Business”)
- Provision of corporate management solutions and I.T. contract services (“Corporate Management Solutions and I.T. Contract Services Business”)

The Group's other operating segments include (i) website development, e-learning products and services (“E-learning Business”) and (ii) provision of online shopping business which do not meet any of the quantitative thresholds for determining as reportable segments. The information of these other operating segments is included in the “Others” column.

(a) Segment results, assets and liabilities

For the purpose of monitoring segment performances and allocating resources between segments:

- Segment profit/(loss) represented profit earned by/(loss from) each segment without allocation of central administration costs, finance costs and income tax expense.
- Segment assets include all tangible, intangible assets and current assets with the exception of other corporate assets.
- Segment liabilities include all current and non-current liabilities with the exception of accrued central administration costs, performance shares, loan notes and convertible notes.

Inter-segment revenue is priced with reference to prices charged to external customers for similar orders.

An analysis of the Group's reportable segment results, assets and liabilities by reportable segment is as follows:

	Software Business 2015 HK\$'000	Securities Investment Business 2015 HK\$'000	Money Lending Business 2015 HK\$'000	Insurance and MPF Schemes Brokerage Business 2015 HK\$'000	Corporate Management Solutions and I.T. Contract Services Business 2015 HK\$'000	Others 2015 HK\$'000	Consolidated 2015 HK\$'000
Turnover							
Revenue from external customers	137,136	-	5,133	71,368	108,489	2,603	324,729
Inter-segment revenue	-	-	-	-	1,271	-	1,271
Reportable segment revenue	<u>137,136</u>	<u>-</u>	<u>5,133</u>	<u>71,368</u>	<u>109,760</u>	<u>2,603</u>	<u>326,000</u>
Reconciliations:							
Elimination of inter-segment revenue							<u>(1,271)</u>
Revenue							<u><u>324,729</u></u>
Results							
Segment results	<u>78,388</u>	<u>49,832</u>	<u>3,941</u>	<u>2,081</u>	<u>13,455</u>	<u>(3,826)</u>	143,871
Reconciliation:							
Interest income							18
Unallocated income							
— Rental income							250
— Gain on disposal of subsidiaries							5,302
— Fair value gain on performance shares							1,166
— Gain on bargain purchase							35
— Other income							173
Unallocated expenses							
— Corporate expenses							(27,674)
— Loss on disposal of property, plant and equipment							<u>(92)</u>
Profit from operations							123,049
Finance costs							(5,635)
Share of loss of an associate							<u>(51)</u>
Profit before taxation							117,363
Income tax expense							<u>(23,940)</u>
Profit for the year							<u><u>93,423</u></u>

	Software Business 2015 HK\$'000	Securities Investment Business 2015 HK\$'000	Money Lending Business 2015 HK\$'000	Insurance and MPF Schemes Brokerage Business 2015 HK\$'000	Corporate Management Solutions and I.T. Contract Services Business 2015 HK\$'000	Others 2015 HK\$'000	Consolidated 2015 HK\$'000
Assets							
Segment assets	633,793	481,844	68,760	14,384	70,502	125	1,269,408
Reconciliation:							
Unallocated assets							
— Property, plant and equipment							671
— Derivative financial instruments							21,564
— Investment in an associate							20,900
— Trade and other receivables							818
— Cash and cash equivalents							120,963
Total assets							<u>1,434,324</u>
Liabilities							
Segment liabilities	32,383	9,922	1,797	19,890	26,071	-	90,063
Reconciliation							
Unallocated liabilities							
— Trade and other payables							9,415
— Loan notes							212,500
— Convertible notes							68,525
Total liabilities							<u>380,503</u>
Other segment information:							
Additions to property, plant and equipment	-	-	(5)	(225)	(265)	(657)	(1,152)
Amortisation of intangible assets	(15,335)	-	-	-	(1,578)	-	(16,913)
Depreciation	-	(60)	(12)	(328)	(497)	(402)	(1,299)
Development cost capitalised	(22,398)	-	-	-	-	-	(22,398)
Fair value gain on financial assets at fair value through profit or loss	-	101,901	-	-	-	-	101,901
Loss on disposal of financial assets at fair value through profit or loss	-	(39,346)	-	-	-	-	(39,346)
Loss on disposal of available-for- sales financial assets	-	(11,931)	-	-	-	-	(11,931)
Impairment loss on available-for- sale financial assets	-	(1,309)	-	-	-	-	(1,309)
Impairment loss on intangible assets	(5,946)	-	-	-	-	-	(5,946)
Legal and professional fees	(1,595)	-	(18)	(18)	(161)	(6,618)	(8,410)

	Software Business 2014 HK\$'000	Securities Investment Business 2014 HK\$'000	Money Lending Business 2014 HK\$'000	Insurance and MPF Schemes Brokerage Business 2014 HK\$'000	Corporate Management Solutions and I.T. Contract Services Business 2014 HK\$'000	Others 2014 HK\$'000	Consolidated 2014 HK\$'000
Turnover							
Revenue from external customers	144,191	–	1,105	76,507	8,422	4,068	234,293
Inter-segment revenue	–	–	–	–	147	–	147
Reportable segment revenue	<u>144,191</u>	<u>–</u>	<u>1,105</u>	<u>76,507</u>	<u>8,569</u>	<u>4,068</u>	234,440
Reconciliation:							
Elimination of inter-segment revenue							<u>(147)</u>
Revenue							<u><u>234,293</u></u>
Results							
Segment results	<u>80,938</u>	<u>(20,966)</u>	<u>1,020</u>	<u>12,113</u>	<u>1,791</u>	<u>(11,457)</u>	63,439
Reconciliation:							
Interest income							7
Unallocated income							675
— Rental income							675
— Fair value gain on investment property							1,300
— Fair value gain on performance shares							57,323
— Other income							25
Unallocated expenses							
— Loss on disposal of a subsidiary							(326)
— Corporate expenses							(13,281)
— Impairment loss on property, plant and equipment							<u>(7)</u>
Profit from operations							109,155
Finance costs							(1,209)
Share of profit of an associate							<u>33</u>
Profit before taxation							107,979
Income tax expense							<u>(19,000)</u>
Profit for the year							<u><u>88,979</u></u>

	Software Business 2014 HK\$'000	Securities Investment Business 2014 HK\$'000	Money Lending Business 2014 HK\$'000	Insurance and MPF Schemes Brokerage Business 2014 HK\$'000	Corporate Management Solutions and I.T. Contract Services Business 2014 HK\$'000	Others 2014 HK\$'000	Consolidated 2014 HK\$'000
Assets							
Segment assets	637,403	82,893	21,818	40,710	108,401	9,046	900,271
Reconciliation:							
Unallocated assets							
— Property, plant and equipment							876
— Investment in an associate							21,196
— Trade and other receivables							602
— Cash and cash equivalents							19,444
Total assets							<u>942,389</u>
Liabilities							
Segment liabilities	57,475	101	226	36,665	59,330	4,418	158,215
Reconciliation							
Unallocated liabilities							
— Trade and other payables							1,967
— Performance shares							14,331
Total liabilities							<u>174,513</u>
Other segment information:							
Additions to property, plant and equipment	—	—	—	(917)	(130)	(557)	(1,604)
Amortisation of intangible assets	(12,564)	—	—	—	(657)	—	(13,221)
Depreciation	—	(60)	—	(142)	(141)	(318)	(661)
Development cost capitalised	(22,063)	—	—	—	—	—	(22,063)
Impairment loss on available-for-sale financial assets	—	(20,732)	—	—	—	—	(20,732)
Impairment loss on goodwill	—	—	—	—	—	(8,211)	(8,211)
Impairment loss on intangible assets	(4,875)	—	—	—	—	—	(4,875)
Legal and professional fees	(2,864)	(71)	(20)	(64)	(23)	(5,220)	(8,262)

(b) Geographical information

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

	Revenues from external customers		Specified non-current assets	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
United States of America	59,916	71,258	–	–
Germany	7,489	5,302	–	–
United Kingdom	11,416	9,969	–	–
Hong Kong	155,378	91,104	623,446	624,934
Australia	5,691	5,769	–	–
Canada	5,292	5,431	–	–
Russia	36,848	5,318	–	–
Japan	5,670	5,124	–	–
Others (including Mainland China)	37,029	35,018	–	1
	<u>324,729</u>	<u>234,293</u>	<u>623,446</u>	<u>624,935</u>

(c) Information about major customers

For the year ended 31 December 2015, no individual customer contributes over 10% of the total revenue of the Group.

For the year ended 31 December 2014, revenue from one customer of the Group's Insurance and MPF Schemes Brokerage Business segment represents approximately HK\$52,634,000 of the Group's total revenue.

8. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interest on other loans	327	386
Effective interest on convertible notes	–	823
Interest on loan notes	4,990	–
Other interest expense	318	–
	<u>5,635</u>	<u>1,209</u>

9. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(a) Staff costs (including directors' remuneration):		
Salaries, wages and other benefits	35,302	10,913
Share-based payments	2,839	–
Retirement scheme contributions	1,396	333
	<u>39,537</u>	<u>11,246</u>
(b) Others items:		
Amortisation of intangible assets	16,913	13,221
Auditor's remuneration	1,400	1,300
Commission clawback provision	–	4,500
Depreciation	1,299	661
Impairment loss on available-for-sale financial assets [#]	1,309	20,732
Impairment loss on goodwill [#]	–	8,211
Impairment loss on intangible assets [#]	5,946	4,875
Impairment loss on property, plant and equipment [#]	–	176
Impairment loss on trade receivables	206	–
Operating lease charges:		
minimum lease payments		
— hire of office premises	4,467	1,643
Reversal of commission clawback provision	(1,282)	–
	<u>(1,282)</u>	<u>–</u>

[#] Included in other gains and losses

10. INCOME TAX EXPENSE

Income tax in the consolidated statement of profit or loss represents:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax		
— Hong Kong Profits Tax		
Provision for the year	26,819	18,570
(Over)/under-provision in respect of prior year	(1,581)	229
— Withholding tax in Japan	124	124
	<u>25,362</u>	<u>18,923</u>
Deferred tax	(1,422)	77
	<u>(1,422)</u>	<u>77</u>
	<u>23,940</u>	<u>19,000</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

Withholding tax in Japan, regarding the external sales for which customers are located in Japan, is charged at the appropriate current rates of taxation ruling in Japan.

11. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2015 (2014: HK\$Nil).

12. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
Profit attributable to owners of the Company and earnings for the purpose of calculating basic earnings per share	<u>60,510</u>	<u>52,737</u>
	<i>'000</i>	<i>'000</i> (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>710,660</u>	<u>244,636</u>
Basic earnings per share (HK cents)	<u>8.51</u>	<u>21.56</u>

Note:

The weighted average number of ordinary shares in 2014 has been retrospectively adjusted for the rights issue which was completed on 16 June 2015.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
Profit attributable to owners of the Company and earnings for the purpose of calculating basic earnings per share	60,510	52,737
Finance cost saving on conversion of convertible notes outstanding	<u>–</u>	<u>823</u>
Profit attributable to owners of the Company and earnings for the purpose of calculating diluted earnings per share	<u>60,510</u>	<u>53,560</u>
	2015 <i>'000</i>	2014 <i>'000</i> (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	710,660	244,636
Effect of dilutive potential ordinary shares arising from:		
Convertible notes	687	4,825
Performance shares	<u>11,489</u>	<u>25,270</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>722,836</u>	<u>274,731</u>
Diluted earnings per share (HK cents)	<u>8.37</u>	<u>19.50</u>

Note:

The weighted average number of ordinary shares in 2014 has been retrospectively adjusted for the rights issue which was completed on 16 June 2015.

13. INVESTMENT PROPERTY

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	–	42,000
Addition	59,081	–
Disposal of a subsidiary	(59,081)	(43,300)
Fair value gains	–	1,300
	<hr/>	<hr/>
At 31 December	<u>–</u>	<u>–</u>

During the year ended 31 December 2015, in the opinion of director, the carrying value of the investment property approximated its fair value on 29 December 2015 (date of disposal of the subsidiary).

During the year ended 31 December 2014, investment property was revalued at 30 September 2014 (date of disposal of the subsidiary) on the direct comparison method by reference to market evidence of recent transactions for similar properties by an independent professional valuer.

14. GOODWILL

	<i>HK\$'000</i>
Cost	
At 1 January 2014	757,662
Arising on acquisition of subsidiaries	<u>33,923</u>
At 31 December 2014 and 1 January 2015	791,585
Derecognised on disposal of a subsidiary	<u>(8,211)</u>
At 31 December 2015	<u>783,374</u>
Accumulated impairment losses	
At 1 January 2014	257,496
Impairment loss recognised (#)	<u>8,211</u>
At 31 December 2014 and 1 January 2015	265,707
Written back on disposal of a subsidiary	<u>(8,211)</u>
At 31 December 2015	<u>257,496</u>
Carrying amount	
At 31 December 2015	<u>525,878</u>
At 31 December 2014	<u>525,878</u>

(#) Impairment loss recognised on goodwill arising on acquisition of Lujolujo Asia Limited (“Lujolujo”)

15. INTANGIBLE ASSETS

	Development costs on computer and mobile phone software <i>(note (a))</i> <i>HK\$'000</i>	Customer relationship <i>(note (b))</i> <i>HK\$'000</i>	Computer software <i>(note (b))</i> <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost				
At 1 January 2014	66,103	–	–	66,103
Additions through internal development	22,063	–	–	22,063
Acquisition of subsidiaries	–	11,066	2,826	13,892
Exchange adjustments	18	–	–	18
	<u>88,184</u>	<u>11,066</u>	<u>2,826</u>	<u>102,076</u>
At 31 December 2014 and 1 January 2015	88,184	11,066	2,826	102,076
Additions through internal development	22,398	–	–	22,398
Exchange adjustments	51	–	–	51
	<u>110,633</u>	<u>11,066</u>	<u>2,826</u>	<u>124,525</u>
At 31 December 2015	110,633	11,066	2,826	124,525
Accumulated amortisation and impairment losses				
At 1 January 2014	9,123	–	–	9,123
Amortisation	12,564	461	196	13,221
Impairment loss	4,875	–	–	4,875
Exchange adjustments	4	–	–	4
	<u>26,566</u>	<u>461</u>	<u>196</u>	<u>27,223</u>
At 31 December 2014 and 1 January 2015	26,566	461	196	27,223
Amortisation	15,335	1,107	471	16,913
Impairment loss	5,946	–	–	5,946
Exchange adjustments	27	–	–	27
	<u>47,874</u>	<u>1,568</u>	<u>667</u>	<u>50,109</u>
At 31 December 2015	47,874	1,568	667	50,109
Carrying amount				
At 31 December 2015	<u>62,759</u>	<u>9,498</u>	<u>2,159</u>	<u>74,416</u>
At 31 December 2014	<u>61,618</u>	<u>10,605</u>	<u>2,630</u>	<u>74,853</u>

- (a) The capitalised development costs for the years ended 31 December 2015 and 2014 represented the expenditure incurred for developing computer and mobile phone software.

The average remaining amortisation period of the computer and mobile phone software is four years (2014: four years).

The Group carried out reviews of the recoverable amount of its development costs on computer and mobile phone software in 2015, having regard to the market conditions of the Group's products. These assets are used in the Group's Software Business. The review led to the recognition of an impairment loss of approximately HK\$5,946,000 for three products of computer and mobile phone software that have been recognised in profit or loss for the year ended 31 December 2015. The management reviewed total cash inflows generated to the Group from these three products for this year and noted nearly no cash inflow was contributed to the Group by these products. As these three products were no longer expected to generate any future economic benefits for the Group, the carrying amounts of these three intangible assets were fully impaired during the year.

- (b) Computer software (the "Software") and the customer relationship (the "Customer Relationship") were acquired through business combination. The Software are used for the development of tailor-made programs to the Group's customers and the Customer Relationship represents certain contractual relationship with its existing customers at the date of acquisition of e-Perfect IT Limited ("e-Perfect IT") in 2014. These assets are used in the Group's Corporate Management Solutions and I.T. Contract Services Business segment. The fair value of the Software and the Customer Relationship have been assessed by an independent professional valuer, at date of acquisition of e-Perfect IT.

The recoverable amounts of the Software and the Customer Relationship are allocated to the cash-generating units of Corporate Management Solutions and I.T. Contract Services Business of e-Perfect IT and its subsidiary.

As the economic benefits arising from these intangible assets are totally integrated with the Corporate Management Solutions and I.T. Contract Services Business, these carrying amounts have been taken into consideration for the impairment assessment of goodwill allocated to this segment.

16. INVESTMENT IN AN ASSOCIATE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Unlisted investment in Hong Kong:		
Share of net assets	<u>20,900</u>	<u>21,196</u>

Details of the Group's associate at 31 December 2015 are as follows:

Name	Place of incorporation	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing	Principal activities
Dragon Oriental Investment Limited	BVI	100 ordinary shares of US\$100	49%	Property investment

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Listed investments, at fair value		
Equity securities listed in Hong Kong	120,103	82,876
Unlisted investment funds	30,613	11,006
Unlisted equity securities	1,309	–
	152,025	93,882
Impairment	(1,309)	(20,732)
	150,716	73,150
Analysed as:		
Non-current assets	150,716	73,150

The fair values of listed securities are based on current closing prices in the Stock Exchange. The fair values of the unlisted investment funds have been determined by reference to the quotation provided by the administrators of the investment funds at the reporting date. The directors believe that the estimated fair values provided by the administrators of the investment funds are reasonable, and that is the most appropriate value at the end of the reporting period.

For the year ended 31 December 2015, the gain on the fair value change in the investments of approximately HK\$7,782,000 (2014: HK\$5,511,000) were recognised in other comprehensive income and reflected in the investment revaluation reserve.

On 31 October 2015, the completion date of deemed disposal of Lujolujo, the Group classified the fair value of the retained 12.83% interests in Lujolujo as available-for-sale financial assets. The directors believe that the carrying value of Lujolujo may not be recoverable due to the adverse financial performance. The carrying value of Lujolujo of approximately HK\$1,309,000 was determined to be impaired and the cumulative loss of approximately HK\$1,309,000 accumulated in investment revaluation reserve was reclassified to profit or loss.

For the year ended 31 December 2014, the fair value loss on available-for-sale financial assets comprised fair value loss arisen from investments in shares of DX.com Holdings Limited of approximately HK\$20,490,000 and another listed company of approximately HK\$242,000 which were determined to be impaired and the cumulative loss totalling approximately HK\$20,732,000 accumulated in the investment revaluation reserve was reclassified to profit or loss.

At 31 December 2015, available-for-sale financial assets with carrying amount of approximately HK\$110,375,000 (2014: HK\$42,929,000) has been charged in favour of a brokerage firm as collateral for the Group's liabilities in respect of its margin trading account.

Available-for-sale financial assets are denominated in Hong Kong dollars.

18. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables (<i>notes 18(e) and (f)</i>)	79,268	66,306
Allowance for doubtful debts (<i>note 18(b)</i>)	(206)	–
	79,062	66,306
Prepayments, deposits and other receivables	10,000	8,788
Amounts due from brokers	7,318	3,101
Amounts due from non-controlling interests of a subsidiary (<i>note 18(g)</i>)	217	–
	96,597	78,195

	2015			2014		
	Non-current assets <i>HK\$'000</i>	Current assets <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>	Current assets <i>HK\$'000</i>	Total <i>HK\$'000</i>
Trade receivables	24,960	54,102	79,062	–	66,306	66,306
Prepayments, deposits and other receivables	–	10,000	10,000	–	8,788	8,788
Amounts due from brokers	–	7,318	7,318	–	3,101	3,101
Amounts due from non-controlling interests of a subsidiary	–	217	217	–	–	–
	24,960	71,637	96,597	–	78,195	78,195

(a) Ageing analysis of trade receivables

According to the credit rating of different customers and service providers, the Group allows credit periods ranged from 0 to 90 days (2014: 0 to 182 days) to its trade customers.

The ageing analysis of trade receivables (net of allowance for impairment loss) based on due date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Not due	70,025	55,632
Less than 1 month past due	3,067	2,770
1 to 3 months past due	2,693	665
More than 3 months but less than 12 months past due	1,860	7,199
Over 12 months past due	1,417	40
	79,062	66,306

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both individual and collective basis.

Reconciliation of allowance for trade receivables

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	–	–
Allowance for the year	<u>206</u>	–
At 31 December	<u><u>206</u></u>	<u>–</u>

(c) Trade receivables that are not impaired

As of 31 December 2015, the ageing analysis of the Group's trade receivables that are past due but not impaired is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 1 month	3,067	2,770
1 to 3 months	2,693	665
More than 3 months but less than 12 months	1,860	7,199
Over 12 months	<u>1,417</u>	40
	<u>9,037</u>	<u>10,674</u>

Receivables that were past due but not impaired relate to a number of independent customers and service providers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Currency denomination of trade receivables

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
HK\$	63,912	49,327
US\$	14,360	16,258
Japanese yen	790	659
Renminbi ("RMB")	<u>–</u>	62
	<u>79,062</u>	<u>66,306</u>

(e) **Loan receivables**

As of 31 December 2015, included in the Group's trade receivables were loans to customers of approximately HK\$49,356,000 (2014: HK\$21,636,000) for the Money Lending Business. The detailed analysis of loan receivables is as follows:

	Secured		Unsecured		Total	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current	12,684	21,636	11,712	–	24,396	21,636
Non-current	24,675	–	285	–	24,960	–
At 31 December 2015	37,359	21,636	11,997	–	49,356	21,636

As at 31 December 2015, the loan receivables of approximately HK\$22,012,000 were secured by the collaterals. The remaining balance of approximately HK\$15,347,000 was secured by unconditional and irrecoverable personal guarantees granted by the borrowers' directors.

As at 31 December 2014, the secured loans were secured by unconditional and irrecoverable personal guarantees granted by the borrowers' directors.

(f) **Due from contract customers**

As of 31 December 2015, included in the Group's trade receivables was amounts due from contract customers of approximately HK\$221,000 (2014: HK\$1,488,000) for Corporate Management Solution and I.T. Contract Services Business. Detailed analysis of the amounts due from contract customers is as follows:

	2015	2014
	HK\$'000	HK\$'000
Contract costs incurred plus recognised profits less recognised losses to date	6,840	7,293
Less: Progress billings	(6,619)	(5,805)
	221	1,488
Gross amounts due from customers for contract work	221	1,488

No advances received in respect of service contracts at 31 December 2015 (2014: HK\$ Nil).

(g) **Amounts due from non-controlling interests of a subsidiary**

The amounts due are unsecured, interest free and with no fixed repayment terms.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Equity securities held for trading at fair value, listed in Hong Kong	<u>323,082</u>	<u>–</u>
Analysed as:		
Current assets	<u>323,082</u>	<u>–</u>

The investments represent listed equity securities investments that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of listed securities are based on market prices at the end of reporting period.

At 31 December 2015, financial assets at fair value through profit or loss investments with carrying amount of approximately HK\$319,418,000 (2014: HK\$Nil) has been charged in favour of a brokerage firm as collateral for the Group's liabilities in respect of its margin trading account.

Financial assets at fair value through profit or loss are denominated in Hong Kong dollars.

20. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	19,201	37,502
Deferred income	1,247	2,049
Deposits received	72	38,121
Amounts due to non-controlling interests of a subsidiary (<i>note 20(d)</i>)	1,332	–
Loan notes interest payables	4,990	–
Accrued expenses and other payables (<i>note 20(c)</i>)	<u>26,524</u>	<u>21,393</u>
	<u>53,366</u>	<u>99,065</u>

(a) Ageing analysis of trade payables

The ageing analysis of trade payables, based on the date of receipt of goods/services, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 3 months	10,338	32,685
More than 3 months but less than 12 months	<u>8,863</u>	<u>4,817</u>
	<u>19,201</u>	<u>37,502</u>

(b) Currency denomination of trade payables

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
US\$	7,441	8,721
RMB	–	402
HK\$	<u>11,760</u>	<u>28,379</u>
	<u>19,201</u>	<u>37,502</u>

(c) Commission clawback provision

As of 31 December 2015, included in accrued expenses and other payables of the Group was commission clawback provision on the Insurance and MPF Schemes Brokerage Business of approximately HK\$1,900,000 (2014: HK\$4,500,000). The commission clawback provision represents expected cash outflows which are estimated with reference to the sales volume, past experience of the levels of clawback, and the directors' best estimates of the expenditure required to settle the obligations. The estimation basis is reviewed on an ongoing basis and revised by the directors where appropriate.

The movements in commission clawback provision are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 January	4,500	–
Provision for the year	–	4,500
Reversal of provision in prior years	(1,282)	–
Utilisation during the year	<u>(1,318)</u>	<u>–</u>
At 31 December	<u>1,900</u>	<u>4,500</u>

(d) Amounts due to non-controlling interests of a subsidiary

The amounts due are unsecured, interest bearing at 9% per annum and with no fixed repayment terms.

21. PERFORMANCE SHARES

Upon completion of the acquisition of 50.5% of the issued share capital of Apperience Corporation (“Apperience”) on 31 March 2013, the Company agreed to issue additional ordinary shares of the Company (“Performance Shares”) based on target profit of Apperience as partial consideration for the acquisition at a issue price of HK\$0.108 per performance share, the maximum number of which shall be 1,452,342,588 subject to adjustments. Performance Shares shall be allotted and issued as fully paid, within one month after audited financial statements for the year ended 31 March 2014 are available (“Tranche I Performance Shares”). Performance Shares shall be allotted and issued as fully paid, within one month after audited financial statements for the year ended 31 March 2015 are available (“Tranche II Performance Shares”). The details of the calculation of the Performance Shares are summarised in the Company’s circular dated 23 February 2013.

On 6 June 2014, the Company issued a total of 715,522,718 Tranche I Performance Shares. The fair value of the Performance Shares of approximately to HK\$32,914,000 was credited to share capital and share premium of the Company at the date of issuance of shares. The maximum outstanding number of the Tranche II Performance Shares and the unissued Tranche I Performance Shares (“Outstanding Performance Shares”) was 736,819,870. With the immediate effect of the share reorganisation taking place on 18 July 2014 and at 31 December 2014, the maximum number of Outstanding Performance Shares to be allotted and issued by the Company was adjusted to 184,204,967 new shares (subject to further adjustment), and the issue price at which the Outstanding Performance Shares to be allotted and issued was adjusted to HK\$0.432 per new share (subject to further adjustment).

On 5 June 2015, the Company issued a total of 16,455,916 Tranche II Performance Shares. The fair value of Performance Share was of approximate HK\$13,165,000 and approximately HK\$13,000,000 was credited to share premium account of the Company at the date of issuance of shares.

The fair values of the Performance Shares at 31 December 2014 and date of issuance of share were valued by an independent professional valuer and the directors respectively.

	2015	2014
	HK\$'000	HK\$'000
Fair value:		
Balance at 1 January	14,331	104,568
Issued of shares during the year	(13,165)	(32,914)
Less: fair value gains	(1,166)	(57,323)
	<u> </u>	<u> </u>
Balance at 31 December	<u> </u> –	<u> </u> 14,331
Representing:		
Current liabilities	<u> </u> –	<u> </u> 14,331

22. LOAN NOTES

(a) 6% per annum notes (“Feb 2015 Notes”)

Pursuant to a note placing agreement dated 5 February 2015, the Group issued 6% unconditional, unsubordinated and unsecured loan notes in an aggregate principal amount of HK\$4,500,000 to certain subscribers during the period commencing on the date of this placing agreement and up to (and including) the date falling on the 15th day of the sixth month after the date of this placing agreement. The Feb 2015 Notes are denominated in HK\$ and will mature on the second anniversary of the issue dates of the Feb 2015 Notes.

(b) 10% per annum notes (“Jun 2015 Notes”)

Pursuant to a note placing agreement dated 26 June 2015, the Group issued 10% unconditional, unsubordinated and unsecured loan notes in an aggregate principal amount of HK\$19,000,000 to certain subscribers during the period commencing on the date of this placing agreement and up to (and including) the date falling on the 15th day of the sixth month after the date of this placing agreement. The Jun 2015 Notes are denominated in HK\$ and will mature on the second anniversary of the issue dates of the Jun 2015 Notes.

(c) 9% per annum notes (“Aug 2015 Notes”)

Pursuant to a note placing agreement dated 20 August 2015, the Group issued 9% unconditional, unsubordinated and unsecured loan notes in an aggregate principal amount of HK\$189,000,000 to certain subscribers during the period commencing on the date of this placing agreement and up to (and including) the date falling on the 15th day of the sixth month after the date of this placing agreement. The Aug 2015 Notes are denominated in HK\$ and will mature on the second anniversary of the issue dates of the Aug 2015 Notes.

23. CONVERTIBLE NOTES

- (a) On 31 March 2013, upon completion of the acquisition of 50.5% of the issued share capital of Apperience, the Company issued zero coupon convertible notes in an aggregate principal amount of HK\$392,132,500 to vendors as partial consideration for the acquisition at an initial conversion price of HK\$0.108 per conversion share. The terms and conditions of the convertible notes are summarised in the Company’s circular dated 23 February 2013. The convertible notes contain two components, liability and equity components. The fair value of the liability component at issue date was valued by an independent professional valuer.

The liability of convertible notes was initially stated at fair value and subsequently measured at amortised cost using the effective interest method until distinguished on conversion. The effective interest rate of the liability component on initial recognition is 8% per annum.

During the year ended 31 December 2014, taking into account the effect of the adjustment upon the completion of share reorganisation on 17 July 2014, the Company issued a total of 38,532,464 conversion shares pursuant to the exercise of the conversion right attached to all the then outstanding convertible notes in the aggregate principal amount of approximately HK\$16,646,000 by noteholders.

The movements of the convertible notes are as follows:

	Equity component <i>HK\$'000</i>	Liability component <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2014	13,809	12,744	26,553
Effective interest expenses	–	823	823
Conversion during the year	<u>(13,809)</u>	<u>(13,567)</u>	<u>(27,376)</u>
At 31 December 2014, 1 January 2015 and 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>

- (b) On 31 December 2015, upon completion of the acquisition of Boom Max International Limited (“Boom Max”, with its subsidiaries (collectively, the “Boom Max Group”)), the Company issued zero coupon convertible notes in an aggregate principal amount of HK\$75,208,200 to vendors as partial consideration for the acquisition at an initial conversion price of HK\$0.3 per conversion share. The maturity date of the convertible notes is the date falling two years after the issue date. Noteholders shall have the right to convert the convertible notes into ordinary shares at any time during the conversion period. If any amount due under the convertible notes is not paid when due, at the Company’s sole discretion, such amount shall be redeemed by the Company by issue and delivery by the Company of a promissory note in favour of the noteholder(s) in the principal amount equal to 100% of such amount together with interest accrued on the overdue sum at the rate which is the lower of (i) HIBOR plus 1.5% per annum and (ii) 4% per annum, and will be due to mature on the first anniversary date of the issue of the promissory note. At any time prior to the maturity date, at the sole discretion of the Company, the Company may cancel and redeem such amount outstanding under the convertible notes at 100% of such outstanding amount. The terms and conditions of the convertible notes are summarised in the Company’s announcements dated 13 August 2015 and 16 September 2015 and the Company’s circular dated 23 November 2015.

The convertible notes contain three components, equity, liability and derivative components. The fair value of the convertible notes at issue date was valued by an independent professional valuer as follows:

	Equity component <i>HK\$'000</i>	Liability component <i>HK\$'000</i>	Derivative component <i>HK\$'000</i>	Total <i>HK\$'000</i>
Issue of convertible notes and at 31 December 2015	<u>25,555</u>	<u>68,525</u>	<u>(21,564)</u>	<u>72,516</u>
Fair value at 31 December 2015		<u>68,525</u>	<u>(21,564)</u>	

The liability component of the convertible notes was initially stated at fair value and subsequently measured at amortised cost using the effective interest method until distinguished on conversion. The effective interest rate of the liability component on initial recognition is 4.7% per annum.

The fair value of the liability component of the convertible notes at 31 December 2015 to be approximately HK\$68,525,000. This fair value has been calculated by discounting the future cash flows at market interest rate (level 2 fair value measurements).

The derivative component is measured at its fair value at the date of issue and at the end of each reporting period. The fair values are estimated using binominal model (level 3 fair value measurements).

24. COMMITMENTS

(a) Capital commitments at the end of the reporting period are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted but not provided for:		
— development costs for intangible assets	<u>26,586</u>	<u>21,715</u>

(b) At 31 December 2015, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	4,118	3,835
After one year but within five years	<u>1,952</u>	<u>4,277</u>
	<u>6,070</u>	<u>8,112</u>

Operating lease payments represent rental payable by the Group for its office premises and office equipment. Leases are negotiated for an average term of 2 years (2014: 2 years) and rental is fixed over the lease terms and do not include contingent rentals.

25. EVENTS AFTER THE REPORTING PERIOD

Other than those disclosed elsewhere in the consolidated financial statements, the following significant events took place subsequent to the end of the reporting period.

(a) Capital reorganisation and change in board lot size

On 29 February 2016, the Board proposed to implement the capital reorganisation which involves the following:

- (i) every five issued and unissued existing shares of HK\$0.01 each of the Company (“Shares”) will be consolidated into one consolidated share of HK\$0.05 each of the Company (“2016 Consolidated Shares”) (“2016 Share Consolidation”) and where applicable, the total number of the 2016 Consolidated Shares in the issued share capital of the Company immediately following the 2016 Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which arises from the 2016 Share Consolidation;
- (ii) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.04 on each of the issued 2016 Consolidated Shares such that the nominal value of each issued 2016 Consolidated Share will be reduced from HK\$0.05 to HK\$0.01 (“2016 Capital Reduction”);
- (iii) immediately following the 2016 Capital Reduction, each of the authorised but unissued 2016 Consolidated Shares of HK\$0.05 each will be sub-divided into five new Shares of HK\$0.01 each;

- (iv) the credits arising in the books of the Company from the cancellation of any fraction in the issued share capital of the Company which arises from the 2016 Share Consolidation and the 2016 Capital Reduction of approximately HK\$9,876,633 will be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda; and
- (v) upon the capital reorganisation becoming effective, the board lot size for trading of the new Shares will be changed from 5,000 to 6,000.

The capital reorganisation of the Company and change in board lot size are subject to, among other things, approval of the shareholders of the Company (“Shareholders”) as a special resolution. Details of the capital reorganisation and change of board lot size are disclosed in the Company’s announcements dated 29 February 2016.

(b) Acquisition of a subsidiary

On 11 March 2016, a subsidiary of the Company entered into a conditional sale and purchase agreement with a vendor to acquire 100% of the issued share capital of Million Worldwide Investment Limited (“Million Worldwide”) and its subsidiary and a sale loan in the amount of approximately HK\$26,899,000 owned by Million Worldwide to the vendor at a consideration of HK\$20,000,000. The principal activity of Million Worldwide is investment holding. The principal asset of its subsidiary is an investment property in Hong Kong for leasing purposes.

The above acquisition was completed on 21 March 2016. Details of the acquisition have been set out in the Company’s announcements dated 11 March 2016 and 21 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Software Business

During the Year, the Group further expanded its business in software market via holding 65.177% of the issued share capital of Boom Max, which holds a number of subsidiaries principally engaged in the research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisement (the “Software Business”). On 13 August 2015 and 16 September 2015, the Company as purchaser entered into a conditional sale and purchase agreement and a supplemental agreement with Access Magic Limited, Ace Source International Limited, Wealthy Hope Limited and Well Peace Global Limited as vendors (collectively, the “Boom Max Vendors”), and Xue Qiushi, Dong Yuguo, Chen Liang and Lian Ming as warrantors (collectively, the “Boom Max Warrantors”) respectively for the acquisition of an aggregate of 14.677% of the equity interest in Boom Max. Taking into account the stable financial performance of the Boom Max Group in the past, the Directors believe that the acquisition will increase the Group’s profit sharing of the Boom Max Group and strengthen the financial performance of the Group. The acquisition was approved by the independent Shareholders at the special general meeting of the Company held on 15 December 2015 and its completion took place on 31 December 2015. Details of such acquisition are set out in the Company’s announcements dated 13 August 2015, 16 September 2015, 16 October 2015, 6 November 2015, 15 December 2015 and 31 December 2015, and the Company’s circular dated 23 November 2015.

Despite being benefited from the stable financial performance of the Boom Max Group, the Software Business recorded a turnover of approximately HK\$137,136,000 for the Year, representing a decrease of approximately 4.9% as compared with that for the last year, and the segment profit for the Software Business amounted to approximately HK\$78,388,000 for the Year, representing a decrease of approximately 3.2% over the last year.

In the face of ever-evolving security threats and counteracting new virus, malware and spyware, the Boom Max Group continues to closely monitor the I.T. trend, and focus on development and upgrade of its products, including but not limited to Advanced System Care, Driver Booster, Smart Defrag, Game Booster, Mac Booster and Random Password Generator. The version 9.0 of its flagship anti-virus product, Advanced System Care, which is a system utility software helping users to protect their personal computers from spyware and virus and detect and solve issues regarding computer security and performance, was launched at the end of 2015. Based on the internal sales database of the Boom Max Group, there are over 133,000,000 free and paid active users (i.e. the users who have used the Boom Max Group’s products) during the Year (2014: 124,000,000).

Money Lending Business

Citi Profit Finance Limited (an indirect wholly-owned subsidiary of the Company) and GEO Finance Limited (“GEO Finance”) (an indirect non-wholly-owned subsidiary of the Company) are holders of money lenders licences under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group has adopted money lending policy and procedure manual which provides guidelines on the handling and/or monitoring of money lending procedures according to the Money Lenders Ordinance.

The Group’s Money Lending Business had a rapid growth during the Year after its acquisition of 51% of the issued shares of GEO Finance in March 2015. The Group recorded a substantial growth in turnover and segment profit under this business segment. The Money Lending Business recorded an interest income of approximately HK\$5,133,000 for the Year, representing an increase of approximately 364.5% as compared with that for the last year, and the segment profit for the Money Lending Business amounted to approximately HK\$3,941,000 for the Year, representing an increase of approximately 286.4% over the last year. The outstanding principal amount of loan receivables as at 31 December 2015 was approximately HK\$49,356,000. During the Year, the Group did not record any doubtful or bad debt in its money lending activities, which reflected our credit policies were effective.

Insurance and MPF Schemes Brokerage Business

GET Mdream Wealth Management Limited (“GMD”) (an indirect non-wholly owned subsidiary of the Company) is a registered member of the Professional Insurance Brokers Association (“PIBA”) and is principally engaged in carrying on long term (including linked long term) insurance and general insurance lines of business. GMD is also engaged in MPF Schemes brokerage business in Hong Kong. During the Year, GMD actively diversified its products and services to include investment-linked insurance and developed our own new sales teams for the promotion of its services and products. For the Year, the turnover and segment profit of this business were approximately HK\$71,368,000 and HK\$2,081,000 respectively.

On 1 April 2015, the Group entered into a sale and purchase agreement in relation to the acquisition of 100% interest of Trendmode Holdings Limited (“Trendmode”) at a cash consideration of HK\$52,000,000 (subject to adjustments) (the “Trendmode Acquisition”). Trendmode and its subsidiaries are principally engaged in insurance and MPF Schemes and consulting business. The agreement was terminated on 22 December 2015 in accordance with the terms of the agreement. The deposit of HK\$10,000,000, without interest, had been refunded to the Group. The Board considered that the termination of the agreement would not have any material adverse impact on the business, operation and financial position of the Group. Details of the Trendmode Acquisition are set out in the Company’s announcements dated 2 February 2015, 1 April 2015, 8 May 2015, 22 May 2015, 8 June 2015, 19 June 2015, 13 July 2015, 30 September 2015 and 22 December 2015 and the Company’s circular dated 22 June 2015.

Corporate Management Solutions and I.T. Contract Services Business

The Group completed the acquisition of e-Perfect IT and Wafer Systems (Hong Kong) Limited (“Wafer HK”) in 2014, which offer new business opportunities to the Group. The Group started to provide corporate management solutions, I.T. contract services, network infrastructure solutions and network professional services to corporate clients in Hong Kong and the People’s Republic of China (the “PRC” or “China”).

During the Year, the Group emerged as a comprehensive I.T. business platform as it further stepped into the field of I.T. project implementation business. The management believes that e-Perfect IT and Wafer HK will provide strong support to the Group’s I.T. business development and play a more prominent role in enhancing the financial performance of the Group.

The turnover derived from this business segment and the segment profit for the Year were approximately HK\$108,489,000 and HK\$13,455,000 respectively.

Securities Investment Business

During the Year, the segment profit amounted to approximately HK\$49.8 million (2014: segment loss of approximately HK\$21 million). Such profit mainly comprised the fair value gain on financial assets at fair value through profit or loss (the “FVTPL Financial Assets”) of approximately HK\$101.9 million (the “Fair Value Gain”) during the Year, the net loss on disposal of available-for-sale financial assets (the “AFS Financial Assets”) of approximately HK\$11.9 million (the “Net loss on disposal of AFS”) and the net loss on disposal of FVTPL Financial Assets of approximately HK\$39.3 million (the “Net loss on disposal of FVTPL Financial Assets”).

The Fair Value Gain was mainly attributable to the gain on the fair value change in the investment of Convoy Financial Holdings Limited (stock code: 1019) (“Convoy Financial”) and Target Insurance (Holdings) Limited (stock code: 6161) (“Target Insurance”) of approximately HK\$57.3 million and approximately HK\$41.8 million respectively. The Net loss on disposal of AFS was mainly attributable to the loss of the disposals of shares in DX.com Holdings Limited (stock code: 8086) of approximately HK\$19.8 million and the Net loss on disposal of FVTPL Financial Assets was mainly attributable to the disposals of shares in Target Insurance and Jun Yang Financial Holdings Limited (stock code: 397) of approximately HK\$15.9 million and HK\$13.8 million respectively.

As at 31 December 2015, FVTPL Financial Assets and AFS Financial Assets with fair value of approximately HK\$323.1 million and HK\$150.7 million respectively consisted of 12 investment items (2014: 6 items), 9 of which are shares of companies listed on the Stock Exchange while the remaining 3 are unlisted securities (including funds). Two of the aforesaid investment items held by the Group, i.e., the shares of (i) China Parenting Network Holdings Limited (stock code: 8361) and Convoy Financial valued at approximately HK\$65 million and approximately HK\$325 million respectively which represented approximately 4.5% and approximately 22.7% of the Group’s total asset value as at 31 December 2015 respectively and approximately 13.7% and approximately 68.7% of the total value of the Securities Investment Business of approximately HK\$473.8 million (comprising AFS Financial Assets and FVTPL Financial Assets) as at 31 December 2015.

China Parenting Network Holdings Limited and its subsidiaries are principally engaged in (i) provision of marketing and promotional services through their platform, including PC Web, Mobile Web, Mobile applications and Internet Protocol Television APPs; and (ii) e-commerce business in the PRC. As at 31 December 2015, the Group held 27,298,000 shares (2014: Nil) of China Parenting Network Holdings Limited, representing approximately 2.7% of its total issued shares.

Convoy Financial and its subsidiaries are principally engaged in (i) independent financial advisory business; (ii) money lending business; (iii) proprietary investment business; (iv) asset management business; and (v) corporate finance advisory services. As at 31 December 2015, the Group held 747,806,000 shares (2014: Nil), representing approximately 5% of the total issued shares of Convoy Financial.

In view of the recent unstable global equity market and volatile financial market in Hong Kong, this business segment carries material price risk in its nature. The Board will monitor closely the performance of its investment portfolio.

E-learning Business

During the Year, E-learning Business of the Group performance tumbled due to keen competition within the industry. Keeping the Shareholders' best interest in mind, the Group will continue to closely monitor this business's performance. During the Year, this business recorded a minor loss of approximately HK\$33,000.

FINANCIAL REVIEW

Turnover

For the Year under review, the turnover of the Group was approximately HK\$324,729,000, representing an increase of approximately 38.6% compared with that for 2014 of approximately HK\$234,293,000. The turnover for the Year was mainly contributed by the turnover of (i) the Software Business of approximately HK\$137,136,000, (ii) the Insurance and MPF Schemes Brokerage Business of approximately HK\$71,368,000, and (iii) the Corporate Management Solutions and I.T. Contract Services Business of approximately HK\$108,489,000.

Gross profit

The gross profit of the Group for the Year increased by approximately 14.2% to approximately HK\$165,152,000 from approximately HK\$144,664,000 for 2014.

Profit for the Year

The Group recorded a net profit after tax of approximately HK\$93,423,000 for the Year (2014: HK\$88,979,000). The net profit after tax for the Year was mainly contributed by (i) the segment profit of approximately HK\$78,388,000 contributed by the Software Business, (ii) the segment profit of approximately HK\$13,455,000 contributed by the Corporate Management Solutions and I.T. Contract Services Business and (iii) the segment profit of approximately HK\$49,832,000 contributed by the Securities Investment Business.

The profit attributable to owners of the Company for the Year was approximately HK\$60,510,000 compared with the profit attributable to owners of the Company of approximately HK\$52,737,000 for 2014.

The increase in net profit after tax for the Year as compared with that for 2014 was mainly attributable to the combined effects of (1) the substantial decrease in fair value gain on performance shares in connection with the acquisition of 50.5% of the issued share capital of Apperience, the completion of which took place in March 2013; (2) the segment profit of approximately HK\$49,832,000 contributed by the Securities Investment Business; (3) the segment profit of approximately HK\$13,455,000 contributed by the Corporate Management Solutions and I.T. Contract Service Business; and (4) the segment profit of approximately HK\$78,388,000 contributed by the Software Business.

Liquidity, financial resources and capital structure

As at 31 December 2015, the Group's cash and cash equivalents and pledged deposit amounted to approximately HK\$216,910,000 (as at 31 December 2014: HK\$151,337,000), which were principally denominated in Renminbi, United States dollar and Hong Kong dollar (2014: Renminbi, United States dollar and Hong Kong dollar). As at 31 December 2015, the aggregate principal amounts (excluding loan interest payable) of the loan notes and convertible notes repayable within a period of more than 1 year but not exceeding 2 years were approximately HK\$287,708,000.

The Group generally finances its operation by (1) internally generated resources, (2) proceeds raised from the Rights Issue (as defined below), (3) proceeds raised from the placing of new shares by the Company under general mandate, and (4) proceeds raised from issues of the Feb 2015 Notes, the Jun 2015 Notes and the Aug 2015 Notes (all as defined below) by the Company during the Year.

Rights Issue

On 24 February 2015, the Board proposed a rights issue on the basis of three rights shares for every one share (the “Rights Issue”) held on the record date at the subscription price of HK\$0.35 per share (the “Rights Share”) which represented a discount of approximately 59.8% to the theoretical closing price of HK\$0.87 per share of the Company, based on the closing price of HK\$0.087 per share of the Company immediately prior to the 2015 Capital Reorganisation (as defined below) becoming effect as quoted on the Stock Exchange on 24 February 2015, being the date of the underwriting agreement. The Directors considered that it was prudent to finance the Group’s long term growth by way of the Rights Issue which would not only strengthen the Group’s capital base and enhance its financial position without increasing finance costs, but also allow all qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the then current market price of the shares of the Company. The Rights Issue was approved by the independent Shareholders at the special general meeting of the Company held on 11 May 2015.

Upon the completion of the Rights Issue in June 2015, 586,237,461 ordinary shares of the Company were issued. The aggregate nominal value of the Rights Shares was approximately HK\$5,862,000. The net proceeds from the Rights Issue were approximately HK\$196.5 million, and on this basis, the net price per Rights Share was approximately HK\$0.336. Details of the Rights Issue are set out in the Company’s announcements dated 24 February 2015, 20 March 2015, 10 April 2015, 11 May 2015, 12 May 2015 and 15 June 2015, the Company’s circular dated 22 April 2015 and the Company’s prospectus dated 22 May 2015.

The actual use of the net proceeds from the Rights Issue as at 31 December 2015 was as follows:

Intended or changed use of the net proceeds

Actual use of the net proceeds as at 31 December 2015

Net proceeds from the Rights Issue of approximately HK\$196.5 million were intended to be used in the following manner:

- | | |
|--|--|
| (i) Approximately HK\$20 million for funding part of the consideration for the acquisition of 100% of the issued share capital of Million Worldwide and a sum of HK\$26,899,220 owing from Million Worldwide to the vendor (“Million Worldwide Acquisition”) (note a); | — Approximately HK\$18,000 used for the legal and professional fees regarding the incorporation of a company in Hong Kong for the Intended Business (as defined below)
— (note a) |
| (ii) Approximately HK\$50 million for funding the Money Lending Business; | — Approximately HK\$40.3 million used for the Money Lending Business which is one of the principal business activities of the Group |

**Intended or changed
use of the net proceeds**

**Actual use of the net proceeds
as at 31 December 2015**

- | | |
|---|--|
| (iii) Approximately HK\$41 million for future potential investment in listed and/or unlisted securities (note c); | — Approximately HK\$16.1 million used for the investment in securities |
| (iv) Approximately HK\$1 million for future potential acquisitions or investments which related to the Insurance and MPF Schemes Brokerage Business (note c); | — Approximately HK\$1 million used for professional fee in relation to the Trendmode Acquisition |
| (v) Approximately HK\$17.9 million for settling part of the consideration of the Property Acquisition (as defined below) (note d); | — Approximately HK\$17.9 million used for paying part of the consideration of the Property Acquisition |
| (vi) Approximately HK\$20.1 million for other future investment opportunities of the Group (note d); | — Approximately HK\$20.1 million used for paying part of the deposit of the acquisition of 14.677% of the issued share capital of Boom Max |
| (vii) Approximately HK\$36 million for future potential acquisition of properties; and | — Approximately HK\$36 million used for paying part of the consideration of the Property Acquisition (as defined below) |
| (viii) Approximately HK\$10.5 million for general working capital of the Group | — Approximately HK\$10.5 million used for investment in listed securities and unlisted investment funds which is one of the principal business activities of the Group |

The remaining unutilised proceeds
will be utilised as intended.

Note a: It was disclosed in the Company's prospectus dated 22 May 2015, among others, approximately HK\$20 million of the net proceeds from the Rights Issue would be used for funding the incorporation of a company in Hong Kong to be wholly-owned by the Group to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "Intended Business"). As at 11 March 2016, in view of the uncertain and fluctuating securities market, the Board decided to delay the plan for carrying on the Intended Business and intended to use the said HK\$20 million for funding part of the consideration for the Million Worldwide Acquisition. The Company will continue to observe the market condition and review the plan for developing the Intended Business. Details of such change are disclosed in the Company's announcements dated 11 March 2016 and 21 March 2016.

Note b: The completion of the Million Worldwide Acquisition took place on 21 March 2016.

Note c: It was disclosed in the Company's prospectus dated 22 May 2015 that, among others, approximately HK\$80 million of the net proceeds from the Rights Issue would be used for future potential acquisitions or investments which related to the Insurance and MPF Schemes Brokerage Business (including the Trendmode Acquisition). As at 22 December 2015, since the Trendmode Acquisition was terminated and approximately HK\$1 million out of the proceeds was used for professional fee in relation to the Trendmode Acquisition, the Group intended to use the remaining HK\$41 million out of the proceeds for future potential investment in listed and/or unlisted securities. Details of such change are disclosed in the Company's announcement dated 22 December 2015.

Note d: It was disclosed in the Company's prospectus dated 22 May 2015 that, among others, approximately HK\$80 million of the net proceeds from the Rights Issue would be used for future potential acquisitions or investments which related to the Insurance and MPF Schemes Brokerage Business (including the Trendmode Acquisition). As at 10 August 2015, the Group had not identified any potential investment opportunity which was related to the Insurance and MPF Schemes Brokerage Business and the Group intended to use approximately HK\$17.9 million to fund the partial consideration of the Property Acquisition. The Company also intended to use approximately HK\$20.1 million for other future potential investment opportunities of the Group. Details of change of use of proceeds from the Rights Issues are disclosed in the Company's announcement dated 10 August 2015.

Placing of new shares under general mandate

On 22 June 2015, the Company and Win Fung Securities Limited as placing agent (the "Placing Agent") entered into a placing agreement, pursuant to which the Placing Agent would procure not less than six placees who and whose ultimate beneficial owners shall be third parties independent of the Group and not connected nor acting in concert with any of the connected persons of the Group or any of their respective associates, on a best effort basis, to subscribe for up to 39,080,000 ordinary shares of HK\$0.01 each of the Company (the "Placing Shares") at a price of HK\$0.49 per Placing Share (the "Placing") which represented a discount of 12.5% to the closing price of HK\$0.56 per share of the Company as quoted on the Stock Exchange on the date of the placing agreement. Completion of the Placing was conditional upon the Stock Exchange granting the listing of, and permission to deal in the Placing Shares pursuant to the placing agreement on or before 10 July 2015.

The Directors considered that the Placing could strengthen the financial position of the Group and provide additional funding to the Group's investment in the Securities Investment Business. The Directors also considered that the Placing represented good opportunities to broaden the Shareholders' base and capital base of the Company and raise additional funds at a reasonable cost. Completion of the Placing took place on 8 July 2015. An aggregate of 39,080,000 Placing Shares were allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting held on 4 June 2015. The aggregate nominal value of the Placing Shares was HK\$390,800. The net proceeds from the Placing were approximately HK\$17,999,000 (after deduction of commission to the Placing Agent and other expenses of the Placing), and the net issue price was approximately HK\$0.47 per Placing Share. The Company intended to apply such net proceeds towards investment in securities. As at 31 December 2015, the net proceeds of approximately HK\$17,999,000 were used for the investment in securities. Details of the Placing are set out in the Company's announcements dated 22 June 2015 and 8 July 2015.

Issue of the 6% per annum notes (the “Feb 2015 Notes”) in an aggregate principal amount of up to HK\$50,000,000

On 5 February 2015, the Company as issuer and GEO Securities Limited as placing agent (the “Feb 2015 Placing Agent”), entered into a placing agreement (the “Feb 2015 Placing Agreement”) pursuant to which the Feb 2015 Placing Agent agreed to procure the placee(s) who and whose respective ultimate beneficial owner(s) shall be third parties independent of, and not connected with the Company, its connected persons and their respective associates (each within the meaning of the GEM Listing Rules), on a best endeavour basis, to subscribe for the Feb 2015 Notes to be issued by the Company in an aggregate principal amount of up to HK\$50,000,000 maturing on the second anniversary of the respective issue date(s) of the Feb 2015 Notes at the placing price equal to 100% of the principal amount of the Feb 2015 Notes (the “Feb 2015 Placing”).

The placing period for the Feb 2015 Placing commenced on the day immediately following the date of the Feb 2015 Placing Agreement and ended on the date falling on the 15th day of the sixth month after the date of the Feb 2015 Placing Agreement. The placing period ended on 15 August 2015. No security or pledge was offered by the Group for issuing the Feb 2015 Notes.

The Directors considered that the Feb 2015 Placing represented an opportunity to obtain funding, which was intended to be used to finance any potential investment opportunities of the Group that might arise from time to time and for the general working capital of the Group.

The Feb 2015 Notes in an aggregate principal amount of HK\$4,500,000 were issued to certain subscribers who subscribed for the Feb 2015 Notes during the period from 6 February 2015 to 15 April 2015. As at 31 December 2015, the net proceeds of approximately HK\$4,171,000 (after deduction of commission to the Feb 2015 Placing Agent and other expenses of the Feb 2015 Placing) were used for the investment in securities. Details of the issue of the Feb 2015 Notes are set out in the Company’s announcements dated 5 February 2015, 1 April 2015, 1 May 2015 and 17 August 2015.

Issue of the 10% per annum notes (the “Jun 2015 Notes”) in an aggregate principal amount of up to HK\$30,000,000

On 26 June 2015, the Company as issuer and GEO Securities Limited as placing agent (the “Jun 2015 Placing Agent”) entered into a placing agreement (the “Jun 2015 Placing Agreement”), pursuant to which the Jun 2015 Placing Agent agreed to procure the placee(s) who and whose respective ultimate beneficial owner(s) shall be third parties independent of, and not connected with the Company, its connected persons and their respective associates (each within the meaning of the GEM Listing Rules), on a best endeavor basis, to subscribe for the Jun 2015 Notes to be issued by the Company in an aggregate principal amount of up to HK\$30,000,000 maturing on the second anniversary of the issue date of the Jun 2015 Notes at the placing price equal to 100% of the principal amount of the Jun 2015 Notes (the “Jun 2015 Placing”).

On 3 August 2015, the Company and the Jun 2015 Placing Agent entered into a supplemental placing agreement (the “Supplemental Placing Agreement”), pursuant to which the Company and the Jun 2015 Placing Agent agreed to amend the date of closing(s) for the subscription of the Jun 2015 Notes. Under the Jun 2015 Placing Agreement (as supplemented by the Supplemental Placing Agreement), subject to the fulfilment of the conditions precedent to the subscription and provided that the Jun 2015 Placing Agent has procured the placee(s) for the Jun 2015 Notes, the Jun 2015 Placing Agent is entitled to issue a 7-day prior notice to the Company specifying, among other matters, the proposed date of closing(s) (which shall be the 1st business day or the 15th day (if this is not a business day, the next business day thereafter) of the relevant calendar month).

The placing period for the Jun 2015 Placing shall last for a period commencing on the day immediately following the date of the Jun 2015 Placing Agreement and up to (and including) the date falling on the 15th day of the sixth month after the date of the Jun 2015 Placing Agreement. The placing period ended on 15 December 2015.

The Directors considered the Jun 2015 Placing represented an opportunity to obtain funding. The net proceeds from the Jun 2015 Placing were intended to be used to finance any potential investment opportunity of the Group as might arise from time to time.

The Jun 2015 Notes in an aggregate principal amount of HK\$19,000,000 were issued to certain placees who subscribed for the Jun 2015 Notes during the period from 27 June 2015 to 30 October 2015. As at 31 December 2015, the net proceeds (after deduction of commission to Jun 2015 Placing Agent and other expenses of the Jun 2015 Placing) of approximately HK\$9,900,000 were used for paying part of the deposit of the acquisition of 14.677% of the issue share capital of Boom Max, and of approximately HK\$8,150,000 were used for the investment in securities. Details of the issue of the Jun 2015 Notes are set out in the Company’s announcements dated 26 June 2015, 3 August 2015, 17 August 2015, 1 September 2015, 15 September 2015, 2 October 2015, 16 November 2015 and 15 December 2015.

Issue of the 9% per annum notes (the “Aug 2015 Notes”) in an aggregate principal amount of up to HK\$300,000,000

On 20 August 2015, the Company as issuer and Jun Yang Securities Company Limited as placing agent (the “Aug 2015 Placing Agent”) entered into a placing agreement (the “Aug 2015 Placing Agreement”) pursuant to which the Aug 2015 Placing Agent agreed to act as placing agent of the Company, on a best endeavour basis, to procure the placee(s) to subscribe for the Aug 2015 Notes to be issued by the Company in an aggregate principal amount of up to HK\$300,000,000 maturing on the second anniversary after the issue date of the notes at the placing price equal to 100% of the principal amount of the Aug 2015 Notes (the “Aug 2015 Placing”). The Directors considered that the Aug 2015 Placing represented an opportunity to obtain funding, which was intended to be used for the investment in listed securities and unlisted funds which is one of the principal activities of the Group.

As at 31 December 2015, the Aug 2015 Notes in an aggregate principal amount of HK\$189,000,000 have been issued to certain subscribers who subscribed for the Aug 2015 Notes during the period from 10 September 2015 to 14 December 2015. As at 31 December 2015, the net proceeds of approximately HK\$183,218,000 (after deduction of commission to Aug 2015 Placing Agent and other expenses of the Aug 2015 Placing) were used for the investment in listed securities. Details of the issue of the Aug 2015 Notes are set out in the Company's announcements dated 20 August 2015, 30 September 2015, 2 November 2015, 30 November 2015, 31 December 2015 and 15 February 2016.

Capital reorganisation and change in board lot size in March 2015

In March 2015, the Company completed the capital reorganisation as described in the circular of the Company dated 26 February 2015 (the "2015 Capital Reorganisation").

The 2015 Capital Reorganisation was approved by the Shareholders by a special resolution at a special general meeting of the Company held on 23 March 2015 and became effective on 24 March 2015.

Upon the 2015 Capital Reorganisation becoming effective, the board lot size for trading of the shares of the Company has been changed from 20,000 to 5,000.

As at 31 December 2015 and as at the date of this announcement, the issued share capital of the Company was HK\$12,345,791.29 divided into 1,234,579,129 shares of HK\$0.01 each. Details of the 2015 Capital Reorganisation and change of board lot size are disclosed in the Company's announcements dated 2 February 2015, 17 February 2015 and 23 March 2015, and the Company's circular dated 26 February 2015.

Issue of Tranche II Performance Shares in June 2015

Reference is made to the circular of the Company dated 23 February 2013 (the "Circular") in relation to the acquisition of 50.5% of the issued share capital of Apperience. Unless otherwise defined in this section, capitalised terms used in this paragraph shall have the same meaning as defined in the Circular. As disclosed in the Circular, on 15 November 2012, the Company, the Vendors and the Warrantors entered into the Acquisition Agreement (as supplemented by a supplemental agreement dated 11 December 2012) pursuant to which the Company had conditionally agreed to purchase, and the Vendors had conditionally agreed to sell at the Selling Proportion, the Sale Shares, which in aggregate represented 50.5% of the issued share capital of Apperience. Completion of the Acquisition took place on 31 March 2013. The maximum aggregate amount of the Consideration payable by the Company to the Vendors shall be HK\$548,985,500 (subject to adjustment) which would be satisfied partly by the creation and issue of the Convertible Notes (and where applicable) partly by the allotment and issue of the Performance Shares. The Vendors include Access Magic, Ace Source, Well Peace, Wealthy Hope, IDG-Accel, IDG-Accel Investors and THL which is a subsidiary of Tencent Holdings Limited (Stock Code: 700).

Proposed Capital reorganisation and change in board lot size in 2017

For the details of the Proposed reorganisation and change in board lot size in 2016, please refer to note 25(a) to the consolidated financial statements.

The Directors believed the Acquisition would allow the Group to diversify into the I.T. business for personal computers and mobiles and increase the product variety of the Group.

On 6 June 2014, an aggregate of 715,522,718 Tranche I Performance Shares were allotted and issued, credited as fully paid, by the Company to the Vendors. In accordance with the TP Audited Accounts II and a statement of adjustments in relation to the adjustments of the Target Profit II by the Adjusted Items, the Target Profit II (as adjusted by disregarding the effect of all the Adjusted Items of US\$2,155) of Apperience is US\$9,064,485. In accordance with the Acquisition Agreement, an aggregate of 16,455,916 Tranche II Performance Shares (having taken into account the effect of the capital reorganisation of the Company which became effective on 18 July 2014 and 24 March 2015) shall be allotted and issued, credited as fully paid, by the Company to the Vendors. On 5 June 2015, the Company issued a total of 16,455,916 Tranche II Performance Shares.

For the details of issue of Tranche II Performance Shares (as defined in the Company's circular dated 23 February 2013), please refer to the Company's circular dated 23 February 2013 and the Company's announcement dated 28 May 2015.

Gearing ratio

As at 31 December 2015, the total assets of the Group were approximately HK\$1,434,324,000 (as at 31 December 2014: HK\$942,389,000), whereas its total liabilities were approximately HK\$380,503,000 (as at 31 December 2014: HK\$174,513,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 26.5% (as at 31 December 2014: 18.5%).

Final dividend

The Directors do not recommend to pay any final dividend for the Year (2014: Nil).

Charges on the Group's Assets

As at 31 December 2015, the Group's pledged bank deposits of approximately US\$80,000, HK\$1,010,000 and HK\$1,000,000 (in aggregate, approximately HK\$2,633,000) represented deposits pledged to banks to secure banking facilities to the extent of HK\$2,500,000 (as at 31 December 2014: HK\$1,500,000) granted to the Group. The deposits are in United States dollars, Hong Kong dollars and Hong Kong dollars with terms of 6 months, 1 month and 1 month and at fixed interest rates of 0.05% per annum, 0.5% per annum and 0.35% per annum respectively.

As at 31 December 2015, the Group had undrawn banking facilities of approximately HK\$2,359,000 (as at 31 December 2014: HK\$855,000).

As at 31 December 2015, listed securities held by the Group with a total carrying amount of approximately HK\$429,793,000 (as at 31 December 2014: HK\$42,929,000) were charged in favour of a brokerage firm as collateral for the Group's liabilities in respect of its margin trading account. As at 31 December 2015, the Group did not use the credit limit.

Foreign exchange exposure

During the Year, the business activities of the Group were mainly denominated in Hong Kong dollars and United States dollars.

United States dollars is the main currency transacted by the Group. Since Hong Kong dollars remains pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars and has not entered into any foreign exchange contract as hedging measures. The Directors did not consider the Group was significantly exposed to any foreign currency exchange risk. Notwithstanding the above, the Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

MATERIAL RISK FACTORS

Financial risk

The Group's AFS Financial Assets and FVTPL Financial Assets are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk due to the fluctuation of fair value of AFS Financial Assets and FVTPL Financial Assets. The Directors regularly review the exposure to the equity security price risk on the available-for-sale financial assets and FVTPL Financial Assets.

Operation risk

GMD

GMD is a registered member of the PIBA to carry out long term (including linked long term) insurance and general insurance lines of business. The Insurance and MPF Schemes Brokerage Business may expose the Group to additional risks, for example, penalty and potential liabilities. This business relies on the Group's consultants to carry out the sale function. Although the Group has provided suitable training to the consultants and adopted suitable guideline and policy, it cannot rule out the possibility that the consultants, who are registered with PIBA as technical representatives and engaged by the Group, may be involved in improper conduct during the process of negotiating and selling of insurance products and, in some cases, MPF Schemes, which may expose the Group to liabilities. The Group may also be exposed to compliance risk as insurance brokerage is a highly regulated industry in Hong Kong. The Group will need to incur additional costs to ensure compliance with the relevant rules and regulations. Non-compliance with such rules and regulations may result in significant penalty or other potential liabilities to the Group.

Wafer HK

The operation of Wafer HK depends on a limited number of key suppliers for supply of products. Any disruption to the business or operation of those suppliers, or to their ability to supply and deliver the products with merchantable quality and on time, could significantly affect the Group's ability to fulfill customers' demand on a timely basis. As a result, the Group's relationships with the customers, sales and results of operations may be adversely affected. As at the date of this announcement, the Directors were not aware of any material adverse change in the relationship between key suppliers and Wafer HK.

MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of listed shares and issue of new shares under specific mandate

On 31 July 2015, the Company (as purchaser) entered into a sale and purchase agreement with China New Economy Fund Limited ("China New Economy") (stock code: 80) (as vendor), an independent third party, to acquire 27,298,000 issued ordinary shares of China Parenting Network Holdings Limited (stock code: 8361) ("China Parenting") at the consideration of HK\$60,000,000 which had been satisfied by the Company by the allotment and issue of 146,699,266 new ordinary shares at the issue price of HK\$0.409 per new share (the "Consideration Shares for China Parenting").

The sale and purchase agreement and the obligations of the Company to effect completion were conditional upon:

- (a) the Stock Exchange having granted or having agreed to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Consideration Shares for China Parenting;
- (b) the passing of the ordinary resolution(s) by the Shareholders (to the extent they are not prohibited from voting on such resolution(s) under the GEM Listing Rules) at the special general meeting of the Company approving the grant of the specific mandate for the allotment and issue of the Consideration Shares for China Parenting under the sale and purchase agreement;
- (c) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and the performance of the sale and purchase agreement and the transactions contemplated thereunder having been obtained by the parties thereto;
- (d) the consummation of the transactions contemplated pursuant to the sale and purchase agreement shall not have been restrained, enjoined or otherwise prohibited by any applicable laws and regulations, including any order, injunction, decree or judgment of any court or other governmental authority;
- (e) the warranties given by China New Economy set out in the sale and purchase agreement will remain true and accurate in all respects and not misleading; and
- (f) the warranties given by the Company set out in the sale and purchase agreement will remain true and accurate in all respects and not misleading.

The Company may waive condition (e) set out above at any time before the long stop date (i.e. 31 October 2015 or such later date as the Company and China New Economy may agree in writing) by notice in writing to China New Economy. China New Economy may waive condition (f) set out above at any time before the long stop date by notice in writing to the Company.

The Directors considered that with (i) the increase in CBM (children, babies, and maternity) internet population in the PRC who grew up along with the development of the internet and is accustomed to doing transactions and obtaining information through online channels; and (ii) the proliferation of smart devices with internet access, China Parenting, which is an online platform focusing on the CBM market in the PRC, was expected to benefit from such trend and bring investment return to the Group.

Completion of the acquisition took place on 7 October 2015.

Property Acquisition and Disposal of Bonus First

On 8 August 2015, Bonus First Group Limited (“Bonus First”), a wholly-owned subsidiary of the Company at that time, entered into a provisional sale and purchase agreement in respect of the purchase of a commercial unit in Central, Hong Kong at a consideration of approximately HK\$53,900,000 (the “Property Acquisition”). Completion of the Property Acquisition took place on 30 September 2015. Details of the Property Acquisition are disclosed in the announcements of the Company dated 10 August 2015 and 30 September 2015.

On 6 October 2015, the Company (as vendor) entered into a sale and purchase agreement with AMCO United Holding Limited (as purchaser), an independent third party, in respect of the disposal of Bonus First. The disposal represents an opportunity for the Group to realise its investment in Bonus First, and thereby utilise such financial resources for financing other future potential investment opportunities and/or working capital of the Group. The completion of disposal of Bonus First took place on 29 December 2015. Please refer to the Company’s announcements dated 6 October 2015 and 29 December 2015 for further details.

Apart from those disclosed in the sections headed “Business Review”, “Acquisition of listed shares and issue of new shares under specific mandate” and “Property Acquisition and Disposal of Bonus First” in this announcement, the Group had no material acquisition or disposal during the Year.

Employees and remuneration policies

As at 31 December 2015, the Group had approximately 88 employees (as at 31 December 2014: 111 employees) in Hong Kong and the PRC. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual’s performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group’s performance as well as individual’s performance.

Contingent liabilities

As at 31 December 2015, the Group did not have any significant contingent liabilities (as at 31 December 2014: Nil).

Capital commitments

As at 31 December 2015, the capital commitments contributed but not provided for development costs of intangible assets were approximately HK\$26,586,000 (as at 31 December 2014: HK\$21,715,000).

OUTLOOK

Looking forward, the Software Business is expected to continually be one of the principal sources of income to the Group. With the increase of stake in Boom Max, the Directors believe revenue from the Software Business will continue to contribute significantly to the Group's income.

Thanks to the success of diversification strategy in products and services portfolio and development of new sales teams for the promotion of its services and products, the Insurance and MPF Schemes Brokerage Business yielded positive results during the Year. The Board is optimistic in the market prospect and the Group's business development in the face of increasing investment needs.

As to the Money Lending Business, acquisition of 51% of the issued share capital of GEO Finance during the Year has enabled the Group to offer subordinate property mortgage loan to its customers. Apart from unsecured personal loans, the Group will continue to develop the market of subordinate property mortgage loan. During the Year, the Group completed reviewing the appropriateness and efficiency of internal control procedures of GEO Finance and updating its internal control procedures as needed.

In the near future, the Group will continue to invest in the prosperous money lending business in Hong Kong with a view to broadening its customer base to both individual and corporate customers and to expanding its sources of income through this business segment. The Group foresees a strong potential of the mortgage refinancing driven by continuing demand for landed property, and hence will allocate more resources to expand services portfolio to subordinate property mortgage loan.

Riding on its intrinsic strength, the Group will continue to build on and reinforce its advantages by identifying potential investment opportunities in the market to grasp any potential business opportunities, in order to generating positive impacts and profit to increase its Shareholders' value.

OTHER INFORMATION

DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

A copyright licence agreement (the “New Copyright Licence Agreement”) was entered into among Both Talent International Limited (“Both Talent”), a subsidiary of Boom Max, as licensee, Chengdu AOBI Information Technology Co., Ltd. (the “PRC Company”), as licensor, and Apperience on 1 July 2014 pursuant to which the PRC Company granted to Both Talent an exclusive licence to use the copyright of “Advanced SystemCare” registered in the name of the PRC Company in the PRC for a period from the date of the New Copyright Licence Agreement to the later of (i) the completion of registration of the assignment of the copyright to Both Talent in China; and (ii) the completion of registration of the copyright of “Advanced SystemCare” in the name of Both Talent in the United States as part of the Group’s internal reorganisation. Mr. Xue (executive Director) (as defined below) is interested through his shareholding in the PRC Company. Such transaction does not constitute notifiable transaction under Chapter 19 of the GEM Listing Rules and is fully exempted from the requirements under Chapter 20 of the GEM Listing Rules.

A sale and purchase agreement (the “Boom Max Acquisition Agreement”) was entered into among the Company, the Boom Max Vendors and the Boom Max Warrantors in relation to sale and purchase of an aggregate of 14.677% of the equity interest in Boom Max, conditional upon, among other conditions, the Restructuring (as defined in the Company’s circular dated 23 November 2015). Mr. Xue, being one of the Boom Max Warrantors, is interested in one of the Boom Max Vendors, Ace Source, which is wholly and beneficially owned by him. Mr. Dong, being one of the Boom Max Warrantors, is interested in one of the Boom Max Vendors, Access Magic, which is wholly and beneficially owned by him. Mr. Dong is also a director of some subsidiaries of the Company. Such acquisition constitutes a major and connected transaction for the Company under the GEM Listing Rules and is subject to the notification, announcement and shareholders’ approval requirements of Chapter 19 of the GEM Listing Rules and the circular, independent financial advice and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules. Such acquisition was completed on 31 December 2015. Details of the acquisition are set out in the Company’s announcements dated 13 August 2015, 16 September 2015, 16 October 2015, 6 November 2015, 15 December 2015 and 31 December 2015, and the Company’s circular dated 23 November 2015.

Save for the New Copyright Licence Agreement, the Boom Max Acquisition Agreement and the Restructuring, none of the Directors or an entity connected with a Director is or was materially interested, whether directly or indirectly, in any transaction, arrangement or contract of significance subsisting during or at the end of the Year which is significant in relation to the business of the Group, nor had any Director had direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group at the end of the Year or at any time during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 December 2015, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the laws of Hong Kong) as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the ordinary shares and underlying shares of the Company

Name of Director	Capacity	Number of shares/ underlying shares of the Company held	Approximate percentage of the total issued share capital of the Company (Note 1)
Xue Qiushi (“Mr. Xue”)	Interest of a controlled corporation	524,677,156 (Note 2)	42.50%
Kuang Hao Kun Giovanni (“Mr. Kuang”)	Beneficial owner	6,155,000 (Note 3)	0.50%

Notes:

- The total number of the 1,234,579,129 shares of the Company in issue as at 31 December 2015 has been used for the calculation of the approximate percentage.
- Ace Source (being one of the substantial shareholders of the Company whose interest are set out in the section headed “Interests discloseable under the SFO and substantial shareholders and other persons’ interests in securities” below) is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue was deemed to be interested in all the shares/underlying shares of the Company held or interested by Ace Source by virtue of Part XV of the SFO. Among these 524,677,156 shares/underlying shares, 250,693,999 of which were underlying shares to be allotted and issued by the Company upon exercise of the conversion rights attached to the Boom Max Convertible Notes created and issued to the Boom Max Vendors in an aggregate principal amount of HK\$75,208,200 with a conversion period from 31 December 2015 to 31 December 2017 at an initial conversion price of HK\$0.30 per share (subject to adjustment(s)). The Boom Max Convertible Notes are due to mature on a date falling 2 years after the issue date of 31 December 2015. As part of the consideration for the acquisition of 14.677% of the issued share capital of Boom Max, Boom Max Convertible Notes in a principal amount of HK\$43,816,465 was created and issued to Ace Source.
- On 2 July 2015, the Company granted a share option to subscribe for 6,155,000 shares of the Company to Mr. Kuang. Such share option has an exercise period from 15 July 2015 to 14 July 2018 and an exercise price of HK\$0.551 per share.

Long positions in shares of associated corporation of the Company

Name of Director	Name of the associated corporation	Capacity in which the shares are held	Number of shares	Approximate percentage of the associated corporation's issued share capital
Xue Qiushi	Apperience Corporation	Interest of a controlled corporation (<i>Note</i>)	3,882,391	18.79%

Note: Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue is deemed to be interested in all the shares held by Ace Source in Apperience (being an associated corporation of the Company) pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 December 2015, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save for the Boom Max Convertible Notes issued by the Company in accordance with the Boom Max Acquisition Agreement dated 13 August 2015 (as varied and supplemented by a supplemental agreement dated 16 September 2015) in relation to the acquisition of 14.677% of the issued share capital of Boom Max and the Boom Max Consideration Shares which were issued by the Company in accordance with the terms and conditions of such agreements to Ace Source, being one of the Boom Max Vendors and a company wholly owned by Mr. Xue, the share options granted to Mr. Kuang during the Year under Share Option Scheme (which are disclosed in the section headed "Share Option Scheme" of this announcement, and the Tranche II Performance Shares issued to Ace Source (a company wholly owned by Mr. Xue) (which are disclosed in the section headed "Financial Review — Issue of Tranche II Performance Shares in June 2015" of this announcement)), at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and the chief executive, their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

On 24 December 2007, the share option scheme of the Company (“Share Option Scheme”) was approved by Shareholders in an extraordinary general meeting of the Company. The Share Option Scheme is to enable the Company to grant options to either Directors or employees of the Group in order to recognise and motivate their contribution, to provide incentives and to help the Group in retaining its existing employees and recruiting additional quality employees so as to provide them with a direct economic interest in attaining the long term business objectives of the Group.

The Share Option Scheme shall continue in force for the period commencing from its adoption date and expiring at the close of business on the tenth anniversary thereof, after such period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in respect of any options granted before its expiry or termination but not yet exercised. The Share Option Scheme will remain in force until 24 December 2017.

Upon acceptance of an option to subscribe for shares granted pursuant to the Share Option Scheme, the eligible participant shall pay HK\$1.00 to the Company by way of consideration for the grant. Such option will be offered for acceptance for a period of 7 days from the date on which the offer is made. The total number of shares issued and to be issued upon exercise of the options granted to each participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the shares in use at the date of grant. The exercise price for shares under the Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; (iii) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the ten trading days immediately preceding the date of grant; and (iv) the nominal value of the share on the date of grant.

On 2 July 2015, the Company granted 12,310,000 share options (“Options”). Among the Options granted, (i) Option entitling the holder thereof to subscribe for an aggregate of 6,155,000 shares was granted to Mr. Kuang, the chairman of the Board and an executive Director and (ii) Options entitling the holders thereof to subscribe for an aggregate of 6,155,000 shares were granted to two directors of subsidiaries of the Company (one of whom is also the company secretary and financial controller of the Company).

The grant of the Option to Mr. Kuang has been reviewed and approved by the independent non-executive Directors in accordance with Rule 23.04(1) of the GEM Listing Rules.

The details of the Options granted by the Company have been disclosed in the Company’s announcement dated 2 July 2015.

Details of the movements in the Options granted under the Share Option Scheme during the Year are as follow:

Date of grant	Grantees	Exercise period	Exercise price per share HK\$	Outstanding as at 1 January 2015 '000	Granted during the Year '000	Cancelled/ exercised during the Year '000	Lapsed during the Year '000	Outstanding as at 31 December 2015 '000
2 July 2015	Mr. Kuang	15 July 2015 to 14 July 2018	0.551	-	6,155	-	-	6,155
2 July 2015	Two directors of subsidiaries of the Company	15 July 2015 to 14 July 2018	0.551	-	6,155	-	-	6,155
			Total	-	12,310	-	-	12,310

Notes:

1. The vesting period of the Options is from the date of grant until the commencement of the exercise period.
2. The closing price of the Company's shares immediately before the date of grant on 1 July 2015 was HK\$0.52.

As at 31 December 2015 and the date of this announcement, the total number of shares available for issue under the Share Option Scheme under the existing 10% limit is 4,052, representing approximately 0.0003% of the issued share capital of the Company.

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST IN SECURITIES

Substantial shareholders

As at 31 December 2015, the following persons (other than Directors or the chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in ordinary shares of the Company

Shareholders	Capacity	Number of shares/ underlying shares of the Company held <i>(Note 1)</i>	Approximate percentage of the total issued share capital of the Company <i>(Note 2)</i>	<i>Notes</i>
DX.com Holdings Limited	Beneficial owner	74,418,600 (L)	6.03%	
Fastek Investments Limited ("Fastek")	Beneficial owner	118,600,000 (L)	9.61%	(3)
Rosy Lane Investments Limited ("Rosy Lane")	Interest of a controlled corporation	159,560,788 (L)	12.92%	(3)
Hong Kong Education (Int'l) Investments Limited ("HK EDU INTL")	Interest of a controlled corporation	159,560,788 (L)	12.92%	(3)
Access Magic Limited ("Access Magic")	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(4)
Dong Yuguo ("Mr. Dong")	Interest of a controlled corporation	524,677,156 (L)	42.50%	(4), (5)
Ace Source International Limited ("Ace Source")	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(6)
Wealthy Hope Limited ("Wealthy Hope")	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(7)
Chen Liang ("Mr. Chen")	Interest of a controlled corporation	524,677,156 (L)	42.50%	(7), (8)
Well Peace Global Limited ("Well Peace")	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(9)

Shareholders	Capacity	Number of shares/ underlying shares of the Company held <i>(Note 1)</i>	Approximate percentage of the total issued share capital of the Company <i>(Note 2)</i>	<i>Notes</i>
Lian Ming (“Mr. Lian”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(9), (10)
IDG-Accel China Growth Fund II L.P. (“IDG-Accel”)	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(11)
IDG-Accel China Investors II L.P. (“IDG-Accel Investors”)	Beneficial owner and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(12)
IDG-Accel China Growth Fund II Associates L.P. (“IDG-Accel II Associates”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(11), (12), (13)
IDG-Accel China Growth Fund GP II Associates Ltd. (“IDG-Accel GP II”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(11), (12), (13)
Ho Chi Sing (“Mr. Ho”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(11), (12), (13)
Zhou Quan (“Mr. Zhou”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(11), (12), (13)
Tencent Holdings Limited (“Tencent”)	Interest of a controlled corporation and interest deemed under sections 317(1)(a) and 318 of the SFO	524,677,156 (L)	42.50%	(14)
MIH TC Holdings Limited (“MIH TC Holdings”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(14), (15)
Naspers Limited (“Naspers”)	Interest of a controlled corporation	524,677,156 (L)	42.50%	(14), (15), (16)

Notes:

1. The letter “L” denotes a long position in the shares/underlying shares of the Company.
2. The total number of the 1,234,579,129 shares of the Company in issue as at 31 December 2015 has been used for the calculation of the approximate percentage.
3. Wise Action Limited (“Wise Action”) and Fastek are wholly and beneficially owned by Rosy Lane. Rosy Lane is wholly-owned by HK EDU INTL. Each of HK EDU INTL and Rosy Lane was deemed to be interested in the 40,960,788 shares and 118,600,000 shares of the Company held by Wise Action and Fastek respectively pursuant to Part XV of the SFO.
4. Access Magic was interested in 176,099,398 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 348,577,758 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO. Among these 524,677,156 shares/underlying shares of the Company, 250,693,999 of which were underlying shares of the Company.
5. Access Magic is wholly and beneficially owned by Mr. Dong, a director of a subsidiary of the Company. As such, Mr. Dong was deemed to be interested in all the shares/underlying shares of the Company held or interested by Access Magic pursuant to Part XV of the SFO.
6. Ace Source was interested in 296,710,183 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 227,966,973 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO. Among these 524,677,156 shares/underlying shares of the Company, 250,693,999 of which were underlying shares of the Company. Ace Source is wholly and beneficially owned by Mr. Xue. As such, Mr. Xue was deemed to be interested in all the shares/underlying shares of the Company held or interested by Ace Source. Mr. Xue’s interests in the shares and underlying shares of the Company are disclosed in the section headed “Directors’ and Chief Executive’s Interests or Short Positions in the Shares, Underlying Shares or Debentures of the Company or any Associated Corporations” above.
7. Wealthy Hope was interested in 19,024,810 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 505,652,346 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO. Among these 524,677,156 shares/underlying shares of the Company, 250,693,999 of which were underlying shares of the Company.
8. Wealthy Hope is wholly and beneficially owned by Mr. Chen. As such, Mr. Chen was deemed to be interested in all the shares/underlying shares of the Company held or interested by Wealthy Hope pursuant to Part XV of the SFO.
9. Well Peace was interested in 19,024,810 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 505,652,346 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO. Among these 524,677,156 shares/underlying shares of the Company, 250,693,999 of which were underlying shares of the Company.
10. Well Peace is wholly and beneficially owned by Mr. Lian. As such, Mr. Lian was deemed to be interested in all the shares/underlying shares of the Company held or interested by Well Peace pursuant to Part XV of the SFO.
11. IDG-Accel was interested in 12,127,549 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 512,549,607 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO.
12. IDG-Accel Investors was interested in 991,853 shares/underlying shares of the Company in the capacity of the beneficial owner and was deemed to be interested in 523,685,303 shares/underlying shares of the Company in accordance with sections 317(1)(a) and 318 of the SFO.

13. IDG-Accel GP II owns the entire equity interest in each of IDG-Accel II Associates and IDG-Accel Investors. IDG-Accel GP II is 50% owned by Mr. Ho and 50% owned by Mr. Zhou. As such, each of Mr. Ho, Mr. Zhou and IDG-Accel GP II was deemed to be interested in all the shares/underlying shares of the Company held by IDG-Accel II Associates and IDG-Accel Investors.

IDG-Accel is wholly owned by IDG-Accel II Associates. As such, IDG-Accel II Associates was deemed to be interested in all the shares/underlying shares of the Company held by IDG-Accel pursuant to Part XV of the SFO.

14. Based on the corporate substantial shareholder notice filed by Tencent on 6 January 2016, THL A1 Limited (“THL”) is wholly owned by Tencent and as such, Tencent was deemed to be interested in all 524,677,156 shares/underlying shares of the Company held by its controlled corporation THL pursuant to Part XV of the SFO. THL had a direct interest of 698,553 shares/underlying shares of the Company and an indirect interest of 523,978,603 shares/underlying shares of the Company.
15. Based on the corporate substantial shareholder notice filed by MIH TC Holdings on 11 January 2016, THL is wholly owned by Tencent and Tencent is 33.51% owned by MIH TC Holdings. As such, MIH TC Holdings was deemed to be interested in all the 524,677,156 shares/underlying shares of the Company held by its controlled corporations THL and Tencent pursuant to Part XV of the SFO.
16. Based on the corporate substantial shareholder notice filed by Naspers on 11 January 2016, THL is wholly owned by Tencent, Tencent is 33.51% owned by MIH TC Holdings, which is in turn 90% owned by MIH (Mauritius) Limited (“MIH Mauritius”). MIH Mauritius is wholly owned by MIH Ming He Holdings Limited (“MIH Ming He”), which is in turn 99.99% owned by MIH Holdings Proprietary Limited (“MIH Proprietary”). MIH Proprietary is wholly owned by Naspers. Based on the above relationship, each of MIH Mauritius, MIH Ming He, MIH Proprietary and Naspers was deemed to be interested in all the 524,677,156 shares/underlying shares of the Company held by their controlled corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Directors were not aware of any other person (other than Directors or chief executive of the Company) who, as at 31 December 2015, had or was deemed to have interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining corporate governance of high standard and quality procedures. The Company has put in place governance practices with emphasis on the integrity to Shareholders and quality of disclosure, transparency and accountability to Shareholders for the sake of maximising returns to Shareholders. The Directors acknowledge in the Corporate Governance Report their responsibility for preparing the accounts.

In the opinion of the Directors, the Company has applied and on best effort basis complied with the code provisions set out in Appendix 15 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has relied on Rules 5.48 to 5.67 of the GEM Listing Rules as the required standard of dealings (the “Required Standard of Dealing”) in respect of any dealings in the Company’s securities by the Company’s Directors and relevant employees. Specific enquiries have been made to all Directors and they all confirmed they had complied with the said GEM Listing Rules during the Year. No incident of non-compliance of the Required Standard of Dealings by the relevant employees was noted by the Company during the Year.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference. The Audit Committee’s principal duties are to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee currently comprises the three Independent Non-executive Directors of the Company, namely, Professor Lee T.S., Ms. Xiao Yiming and Professor Chui Tsan Kit as the chairman of the Audit Committee. The Audit Committee met on a quarterly basis during the Year. The Company’s financial statements for the year ended 2015 have been reviewed and discussed by the Audit Committee before any disclosure and release of information.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

On behalf of the Board of
GET Holdings Limited
Kuang Hao Kun Giovanni
Chairman

Hong Kong, 24 March 2016

As at the date of this announcement, the Board consists of Mr. Kuang Hao Kun Giovanni and Mr. Xue Qiushi being the executive Directors, and Professor Chui Tsan Kit, Professor Lee T.S. and Ms. Xiao Yiming being the independent non-executive Directors.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at www.geth.com.hk.