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## China Uptown Group Company Limited

中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

### ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the “Board”) of directors (the “Directors”) of China Uptown Group Company Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015.

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

|   | NOTES | 2015<br>RMB'000 | 2014<br>RMB'000<br>(Restated) |
|---|-------|-----------------|-------------------------------|
| <b>Continuing operations</b>                            |       |                 |                               |
| Turnover  | 3     | 7,801           | 11,108                        |
| Cost of sales   |       | (7,591)         | (10,890)                      |
| Gross profit  |       | 210             | 218                           |
| Other operating income                                  | 3     | 707             | 224                           |
| Gain on bargain purchase                                |       | –               | 2,822                         |
| Selling and distribution costs                          |       | (11,301)        | (3,725)                       |
| Administrative expenses                                 |       | (25,127)        | (14,775)                      |
| Finance costs   |       | (244)           | (227)                         |
| Loss before tax   |       | (35,755)        | (15,463)                      |
| Income tax expense                                      | 5     | (1)             | (28)                          |
| Loss for the year from continuing operations            |       | (35,756)        | (15,491)                      |
| <b>Discontinued operations</b>                          |       |                 |                               |
| (Loss) profit for the year from discontinued operations | 6     | (345)           | 65,410                        |
| (Loss) profit for the year                              | 7     | (36,101)        | 49,919                        |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)**For the year ended 31 December 2015*

|  | <i>NOTE</i> | <b>2015</b><br><b>RMB'000</b> | 2014<br>RMB'000<br><i>(Restated)</i> |
|--|-------------|-------------------------------|--------------------------------------|
| (Loss) profit for the year attributable to owners of the Company     |             |                               |                                      |
| – from continuing operations   |             | <b>(33,607)</b>               | (14,988)                             |
| – from discontinued operations                                       |             | <b>(176)</b>                  | 65,180                               |
|  |             | <hr/>                         | <hr/>                                |
| (Loss) profit for the year attributable to owners of the Company     |             | <b>(33,783)</b>               | 50,192                               |
|  |             | <hr/>                         | <hr/>                                |
| (Loss) profit for the year attributable to non-controlling interests |             |                               |                                      |
| – from continuing operations   |             | <b>(2,149)</b>                | (503)                                |
| – from discontinued operations                                       |             | <b>(169)</b>                  | 230                                  |
|  |             | <hr/>                         | <hr/>                                |
| Loss for the year attributable to non-controlling interests          |             | <b>(2,318)</b>                | (273)                                |
|  |             | <hr/>                         | <hr/>                                |
|  |             | <b>(36,101)</b>               | 49,919                               |
|  |             | <hr/> <hr/>                   | <hr/> <hr/>                          |
| <b>(Loss) earnings per share</b>                                     | 9           |                               |                                      |
| From continuing and discontinued operations                          |             |                               |                                      |
| Basic  |             | <b><u>RMB(3.02) cents</u></b> | <u>RMB5.33 cents</u>                 |
| Diluted  |             | <b><u>RMB(3.02) cents</u></b> | <u>RMB3.76 cents</u>                 |
| From continuing operations   |             |                               |                                      |
| Basic  |             | <b><u>RMB(3.00) cents</u></b> | <u>RMB(1.59) cents</u>               |
| Diluted  |             | <b><u>RMB(3.00) cents</u></b> | <u>RMB(1.59) cents</u>               |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

|  | 2015<br><i>RMB'000</i> | 2014<br><i>RMB'000</i><br><i>(Restated)</i> |
|--|------------------------|---|
| (Loss) profit for the year   | <u>(36,101)</u>        | <u>49,919</u>                               |
| Other comprehensive (expense) income   |                        |   |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                                |                        |   |
| Exchange differences arising on translation of financial statements of foreign operations:           |                        |   |
| – Exchange (loss) gain arising during the year   | (2,117)                | 762   |
| – Reclassification of cumulative translation reserve upon disposal of subsidiaries to profit or loss | <u>–</u>               | <u>(32,854)</u>                             |
| Other comprehensive expense for the year   | <u>(2,117)</u>         | <u>(32,092)</u>                             |
| Total comprehensive (expense) income for the year  | <u><b>(38,218)</b></u> | <u>17,827</u>                               |
| Total comprehensive (expense) income for the year attributable to:                                   |                        |   |
| Owners of the Company  | (35,900)               | 18,100                                      |
| Non-controlling interests  | <u>(2,318)</u>         | <u>(273)</u>                                |
|  | <u><b>(38,218)</b></u> | <u>17,827</u>                               |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

|  | <i>NOTES</i> | 2015<br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|--|--------------|------------------------|------------------------|
| <b>Non-current assets</b>                                      |              |                        |                        |
| Property, plant and equipment                                  |              | 19,144                 | 17,277                 |
| Available-for-sale investments                                 |              | —                      | —                      |
|  |              | <u>19,144</u>          | <u>17,277</u>          |
| <b>Current assets</b>  |              |                        |                        |
| Inventories  |              | —                      | —                      |
| Properties under development                                   |              | 1,441,992              | 1,065,571              |
| Trade, bills and other receivables                             | 10           | 56,944                 | 22,667                 |
| Held-for-trading investments                                   |              | 42                     | 50                     |
| Income tax recoverable   |              | 32,980                 | 3,294                  |
| Restricted bank deposit  |              | 7,651                  | 7,652                  |
| Bank balances and cash   |              | 86,754                 | 231,700                |
|  |              | <u>1,626,363</u>       | <u>1,330,934</u>       |
| Assets classified as held for sale                             |              | 11,303                 | —                      |
|  |              | <u>1,637,666</u>       | <u>1,330,934</u>       |
| <b>Current liabilities</b>                                     |              |                        |                        |
| Trade and other payables                                       | 11           | 659,511                | 64,227                 |
| Consideration payable  |              | 19,042                 | 50,000                 |
| Dividend payables  |              | —                      | 34,154                 |
| Secured bank borrowings  |              | 245,079                | 252,415                |
|  |              | <u>923,632</u>         | <u>400,796</u>         |
| Liabilities associated with assets classified as held for sale |              | 13,654                 | —                      |
|  |              | <u>937,286</u>         | <u>400,796</u>         |
| <b>Net current assets</b>                                      |              | <u>700,380</u>         | <u>930,138</u>         |
| <b>Total assets less current liabilities</b>                   |              | <u><u>719,524</u></u>  | <u><u>947,415</u></u>  |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)**As at 31 December 2015*

|   | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|---|-------------------------------|------------------------|
| <b>Capital and reserves</b>                         |                               |                        |
| Ordinary share capital                              | <b>136,015</b>                | 88,424                 |
| Convertible redeemable preference shares            | –                             | 152,006                |
| Reserves  | <b>364,172</b>                | 244,956                |
|   | <hr/>                         | <hr/>                  |
| <b>Equity attributable to owners of the Company</b> | <b>500,187</b>                | 485,386                |
| <b>Non-controlling interests</b>                    | <b>22,176</b>                 | 24,494                 |
|   | <hr/>                         | <hr/>                  |
| <b>Total equity</b>                                 | <b>522,363</b>                | 509,880                |
|   | <hr/>                         | <hr/>                  |
| <b>Non-current liabilities</b>                      |                               |                        |
| Secured bank borrowings                             | <b>120,000</b>                | 360,000                |
| Deferred taxation                                   | <b>77,161</b>                 | 77,535                 |
|   | <hr/>                         | <hr/>                  |
|   | <b>197,161</b>                | 437,535                |
|   | <hr/>                         | <hr/>                  |
|   | <b>719,524</b>                | 947,415                |
|   | <hr/> <hr/>                   | <hr/> <hr/>            |

Notes:

## 1. BASIS OF PREPARATION

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

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA.

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

### *Annual Improvements to HKFRSs 2010 – 2012 Cycle*

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

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

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

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

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

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

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

The directors of the Company consider that the application of the amendments to HKFRSs 2010 – 2012 Cycle has had no material impact in the Group's consolidated financial statements.

#### ***Annual Improvements to HKFRSs 2011 – 2013 Cycle***

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

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

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

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

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

The amendments are applied prospectively. The directors of the Company consider that the application of the amendments to HKFRSs 2011 – 2013 Cycle has had no material impact in the Group's consolidated financial statements.

#### ***Amendments to HKAS 19 Defined Benefit Plans – Employee Contributions***

The amendments to HKAS 19 simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. Specifically, contributions that are linked to services are attributed to periods of services as a negative benefit. The amendments to HKAS 19 specifies that such negative benefit are attributed in the same way as the gross benefit, i.e. attribute to periods of services under the plan's contribution formula or on a straight-line basis.

Besides, the amendments also states that if the contributions are independent of the number of years of employee service, such contributions may be recognised as a reduction of the service cost as they fall due.

The amendments to HKAS 19 will become effective for annual periods beginning on or after 1 July 2014 with early application permitted.

The directors of the Company consider that the application of the amendments to HKAS 19 Defined Benefit Plans – Employee Contributions has had no material impact in the Group's consolidated financial statements.

### *New and revised HKFRSs issued but not yet effective*

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

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>3</sup> Effective date not yet been determined.

The directors of the Company anticipate that the application of new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

### **3. TURNOVER AND OTHER OPERATING INCOME**

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers less sales related taxes.

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

|                               | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i><br><i>(Restated)</i> |
|-------------------------------|-------------------------------|---|
| <b>Turnover</b>               |                               |   |
| Sales of raw sugar            | <u>7,801</u>                  | <u>11,108</u>                               |
| <b>Other operating income</b> |                               |   |
| Bank interest income          | <u>707</u>                    | <u>224</u>                                  |
| Total revenues                | <u><u>8,508</u></u>           | <u><u>11,332</u></u>                        |

### **4. SEGMENT INFORMATION**

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

Trading of electronic products segment, which was reported in prior year, was classified as held for sale during the year ended 31 December 2015 and was regarded as discontinued operation. Property investment segment was discontinued during the year ended 31 December 2014. The segment information reported below does not include any amounts for these discontinued operations, which is described in more details in note 6.



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

- Property development – Development of properties in the People's Republic of China (the "PRC").  
 Trading of raw sugar – Trading of raw sugar.

**(a) Segment revenues and results**

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

|  | Property development |                | Trading of raw sugar |                | Consolidated    |                 |
|--|----------------------|----------------|----------------------|----------------|-----------------|-----------------|
|  | 2015                 | 2014           | 2015                 | 2014           | 2015            | 2014            |
|  | <i>RMB'000</i>       | <i>RMB'000</i> | <i>RMB'000</i>       | <i>RMB'000</i> | <i>RMB'000</i>  | <i>RMB'000</i>  |
|  |                      |                |                      |                |                 | (Restated)      |
| <b>Continuing operations</b>                         |                      |                |                      |                |                 |                 |
| Turnover   | <u>-</u>             | <u>-</u>       | <u>7,801</u>         | <u>11,108</u>  | <u>7,801</u>    | <u>11,108</u>   |
| Segment (loss) profit                                | <u>(21,705)</u>      | <u>(5,254)</u> | <u>54</u>            | <u>159</u>     | <u>(21,651)</u> | <u>(5,095)</u>  |
| Change in fair value of held-for-trading investments |                      |                |                      |                | (11)            | (13)            |
| Gain on bargain purchase                             |                      |                |                      |                | -               | 2,822           |
| Bank interest income                                 |                      |                |                      |                | 707             | 224             |
| Unallocated corporate expenses                       |                      |                |                      |                | (14,556)        | (13,174)        |
| Finance costs  |                      |                |                      |                | <u>(244)</u>    | <u>(227)</u>    |
| Loss before tax                                      |                      |                |                      |                | <u>(35,755)</u> | <u>(15,463)</u> |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss/profit represents the loss/profit of each segment without allocation of change in fair value of held-for-trading investments, gain on bargain purchase, bank interest income, unallocated corporate expenses (i.e. central administration costs and directors' emoluments) and finance costs. This is the measure reported to the chief operating decision makers (i.e. board of directors) of the Group for the purposes of resource allocation and performance assessment.

**(b) Revenue from major products and services**

The Group's revenue from continuing operations from its major products and services were as follows:

|                    | 2015           | 2014           |
|--------------------|----------------|----------------|
|                    | <i>RMB'000</i> | <i>RMB'000</i> |
| Sales of raw sugar | <u>7,801</u>   | <u>11,108</u>  |

**(c) Geographical information**

For the year ended 31 December 2015, 100% (2014: 100%) of the Group's revenue and assets were derived from customers and operations based in the PRC including Hong Kong (country of domicile) and accordingly, no further analysis of the Group's geographical information is disclosed.

(d) **Information about major customers**

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

|                         | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|-------------------------|-------------------------------|------------------------|
| Customer I <sup>1</sup> | <u><b>7,801</b></u>           | <u>11,108</u>          |

<sup>1</sup> Turnover from sales of raw sugar.

**5. INCOME TAX EXPENSE**

|                                     | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|-------------------------------------|-------------------------------|------------------------|
| <b>Continuing operations</b>        |                               |                        |
| Deferred taxation<br>– Current year | <u><b>1</b></u>               | <u>28</u>              |

*Notes:*

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years ended 31 December 2015 and 2014.

For the year ended 31 December 2015, no provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit subject to Hong Kong Profits Tax.

No provision for Hong Kong Profits Tax has been made for year ended 31 December 2014 since the assessable profit was wholly absorbed by tax losses brought forward.

- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries of the Company was 25% for both years.

- (c) The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

|  | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i><br><i>(Restated)</i> |
|--|-------------------------------|---|
| Loss before tax (from continuing operations)   | <u><b>(35,755)</b></u>        | <u>(15,463)</u>                             |
| Tax calculated at rates applicable to profits in the respective tax jurisdiction concerned | <b>(7,743)</b>                | (2,891)                                     |
| Tax effect of expenses not deductible for tax purpose                                      | <b>5,031</b>                  | 2,411                                       |
| Tax effect of income not taxable for tax purpose   | <b>(13)</b>                   | (583)                                       |
| Utilisation of tax losses previously not recognised  | <b>(9)</b>                    | (26)  |
| Tax effect of tax losses not recognised  | <u><b>2,735</b></u>           | <u>1,117</u>                                |
| Income tax expense   | <u><b>1</b></u>               | <u>28</u>                                   |

## 6. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

### Disposal of trading of electronic products operation

On 31 December 2015, the Group entered into a sale agreement to dispose of (i) its 51% equity interest in Fame Electronics Limited, which carried out all of the Group's trading of electronic products operation, and (ii) non-interest bearing shareholder's loan to an independent third party at a consideration of HK\$100,000 (equivalent to approximately RMB85,000). The assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The results of the trading of electronic products operations for the year were as follows:

|  | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|--|-------------------------------|------------------------|
| Turnover   | <b>16,642</b>                 | –                      |
| Cost of sales  | <b>(16,763)</b>               | –                      |
| Gross loss   | <b>(121)</b>                  | –                      |
| Other operating income   | <b>1</b>                      | 1,125                  |
| Administrative expenses  | <b>(225)</b>                  | (655)                  |
| (Loss) profit before tax   | <b>(345)</b>                  | 470                    |
| Income tax expense   | –                             | –                      |
| (Loss) profit for the year   | <b>(345)</b>                  | 470                    |
| (Loss) profit for the year from discontinued operation<br>include the following: |                               |                        |
| Auditor's remuneration   | <b>195</b>                    | 159                    |
| Reversal of impairment loss recognised in respect of trade receivables           | –                             | (1,098)                |
| Reversal of impairment loss recognised in respect of inventories                 | –                             | (386)                  |

During the year ended 31 December 2015, the trading of electronic products operation contributed approximately RMB28,000 (2014: paid RMB368,000) to the Group's net operating cash flows and contributed RMB170,000 (2014: RMB361,000) in respect of financing activities.

The major classes of assets and liabilities of the trading of electronic products operation as at 31 December 2015, which have been presented separately in the consolidated statement of financial position, are as follows:

|  | <b>31 December</b><br><b>2015</b><br><i>RMB'000</i> |
|--|---|
| Trade receivables, net   | <b>9,971</b>  |
| Other receivables  | <b>606</b>  |
| Bank balances and cash   | <b>726</b>  |
| Total assets classified as held for sale   | <b>11,303</b>                                       |
| Trade and other payables and total liabilities associated with<br>assets classified as held for sale | <b>13,654</b>                                       |

## Disposal of property investment operation

On 10 November 2014, the Group entered into a sale agreement to dispose of its entire equity interest in Usualink Development Limited (“Usualink”) and a subsidiary of Usualink (collectively referred to as “Usualink Group”), which carried out all of the Group’s property investment operation, to an independent third party. The disposal was effected in order to generate cash flows for the expansion of the Group’s other businesses. The disposal was completed on 17 December 2014, on which date control of Usualink passed to the acquirer.

The profit for the year from the discontinued property investment operation is set out below.

|  | 2014<br>RMB'000 |
|--|-----------------|
| Profit of property investment operation for the year           | 3,177           |
| Gain on disposal of property investment operation for the year | 61,763          |
|  | <hr/>           |
|  | 64,940          |
|  | <hr/> <hr/>     |

The results of the property investment operation for the period from 1 January 2014 to 17 December 2014, which have been included in the consolidated statement of profit or loss for the period from 1 January 2014 to 17 December 2014, were as follows:

|                         | From<br>1 January 2014 to<br>17 December 2014<br>RMB'000 |
|-------------------------|--|
| Turnover                | 5,397  |
| Cost of sales           | (1,243)  |
|                         | <hr/>  |
| Gross profit            | 4,154  |
| Other operating income  | 3,719  |
| Administrative expenses | (2,970)  |
|                         | <hr/>  |
| Profit before tax       | 4,903  |
| Income tax expense      | (1,726)  |
|                         | <hr/>  |
| Profit for the period   | 3,177  |
|                         | <hr/> <hr/>  |

Profit for the period from discontinued operation included the following:

|   | From<br>1 January 2014 to<br>17 December 2014<br>RMB'000 |
|---|--|
| Staff cost                                    |  |
| Salaries, wages and other benefits in kind    | 181  |
| Retirement benefits scheme contributions      | 11   |
|   | <hr/>  |
|   | 192  |
|   | <hr/>  |
| Amortisation of prepaid lease payments        | 6  |
| Auditor’s remuneration                        | –  |
| Depreciation of property, plant and equipment | 444  |
| Interest income                               | (3,719)  |
|   | <hr/> <hr/>  |

During the year ended 31 December 2014, Usualink Group contributed approximately RMB1,187,000 to the Group’s net operating cash flows, received approximately RMB8,602,000 in respect of investing activities and paid approximately RMB175,878,000 in respect of financing activities.

## 7. (LOSS) PROFIT FOR THE YEAR

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

### Continuing operations

|   | 2015<br>RMB'000      | 2014<br>RMB'000<br>(Restated) |
|---|----------------------|-------------------------------|
| Staff cost (including directors' emoluments):   |                      |                               |
| Salaries, wages and other benefits in kind  | 13,970               | 10,191                        |
| Retirement benefits scheme contributions  | 741                  | 445                           |
|   | <u>14,711</u>        | <u>10,636</u>                 |
| Auditor's remuneration  | 846                  | 810                           |
| Change in fair value of held-for-trading investments<br>(included in administrative expenses) | 11                   | 13                            |
| Cost of inventories recognised as expenses<br>(included in cost of sales)                     | 7,591                | 10,890                        |
| Depreciation of property, plant and equipment   | 732                  | 421                           |
| Exchange loss, net  | 33                   | 25                            |
| Operating lease rentals of equipment  | 26                   | 10                            |
| Operating lease rentals of rental premises  | 9                    | 5                             |
|   | <u><u>14,711</u></u> | <u><u>10,636</u></u>          |

## 8. DIVIDEND

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

On 31 December 2014, the board of the directors had declared the payment of preference shares dividend at the rate of 3.5% per annum on the amount paid up or credited as paid up which amounted to HK\$42,620,000 (equivalent to approximately RMB33,853,000) (2015: nil).

## 9. (LOSS) EARNINGS PER SHARE

### From continuing and discontinued operations

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

|   | 2015<br>RMB'000  | 2014<br>RMB'000  |
|---|------------------|------------------|
| <b>(Loss) earnings</b>  |                  |                  |
| (Loss) earnings for the purpose of basic and diluted earnings<br>per share for the year attributable to the owners of the Company | <u>(33,783)</u>  | <u>50,192</u>    |
|   | 2015<br>'000     | 2014<br>'000     |
| <b>Number of shares</b>   |                  |                  |
| Weighted average number of ordinary shares for the<br>purpose of basic loss/earnings per share                                    | 1,119,862        | 941,454          |
| Effect of dilutive potential ordinary shares:   |                  |                  |
| Share options issued by the Company (Note a)  | -                | -                |
| Conversion of convertible redeemable preference shares (Note b)   | -                | 394,737          |
|   | <u>1,119,862</u> | <u>1,336,191</u> |
| Weighted average number of ordinary shares for the<br>purpose of diluted loss/earnings per share                                  | <u>1,119,862</u> | <u>1,336,191</u> |

Notes:

- (a) The computation of diluted earnings per share for the year ended 31 December 2014 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price of the Company's shares for the year ended 31 December 2014. No share options were outstanding as at 31 December 2015 and no dilutive effect from share options for the year ended 31 December 2015.
- (b) All convertible redeemable preference shares have been converted into ordinary shares during the year ended 31 December 2015 and no outstanding convertible redeemable preference shares as at 31 December 2015.

### From continuing operations

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

(Loss) earnings figures are calculated as follows:

|   | 2015<br><i>RMB'000</i> | 2014<br><i>RMB'000</i><br><i>(Restated)</i> |
|---|------------------------|---|
| <b>(Loss) earnings</b>  |                        |   |
| (Loss) profit for the year attributable to owners of the Company  | (33,783)               | 50,192                                      |
| Less: Loss (profit) for the year from discontinued operation  | <u>176</u>             | <u>(65,180)</u>                             |
| Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company | <u><u>(33,607)</u></u> | <u><u>(14,988)</u></u>                      |

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

Diluted loss per share was same as the basic loss per share for the year ended 31 December 2014, as the effect of the Company's outstanding convertible redeemable preference shares would result in a decrease in loss per share for the year ended 31 December 2014.

### From discontinued operation

Basic loss (2014: earnings) per share for the discontinued operation is RMB0.02 cents per share (2014: RMB6.92 cents) and diluted loss (2014: earnings) per share for the discontinued operation is RMB0.02 cents per share (2014: RMB4.87 cents), based on the loss (2014: profit) for the year from the discontinued operation of RMB176,000 (2014: RMB65,180,000) and the denominators detailed above for both basic and diluted loss (2014: earnings) per share.

## 10 TRADE, BILLS AND OTHER RECEIVABLES

|   | 2015<br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Trade receivables   | 3,123                  | 8,307                  |
| Less: impairment loss recognised                            | <u>(3,123)</u>         | <u>(6,371)</u>         |
| Bills receivables   | –                      | 1,936                  |
|   | <u>–</u>               | <u>9,271</u>           |
|   | –                      | 11,207                 |
| Prepayments, deposits and other receivables ( <i>Note</i> ) | 57,359                 | 11,850                 |
| Less: impairment loss recognised                            | <u>(415)</u>           | <u>(390)</u>           |
|   | <u>56,944</u>          | <u>11,460</u>          |
|   | <u><u>56,944</u></u>   | <u><u>22,667</u></u>   |

Customers from the trading segment are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

*Note:* Included in the amount mainly represented prepaid other taxes and prepaid construction costs.

The Group does not hold any collateral over these balances.

- (a) The following is an aged analysis of trade and bills receivables net of impairment loss recognised presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

|                | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|----------------|-------------------------------|------------------------|
| Within 60 days | –                             | 11,207                 |

- (b) The movements in impairment losses recognised in respect of trade receivables are as follows:

|   | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|---|-------------------------------|------------------------|
| At beginning of the year                          | <b>6,371</b>                  | 7,292                  |
| Exchange realignment                              | <b>389</b>                    | 177                    |
| Reversal of impairment loss during the year       | –                             | (1,098)                |
| Transferred to assets classified as held for sale | <b>(3,637)</b>                | –                      |
| At end of the year                                | <b>3,123</b>                  | 6,371                  |

At 31 December 2015, included in the impairment loss are individually impaired trade receivables with an aggregate balance of approximately RMB3,123,000 (2014: RMB6,371,000) which are due to long outstanding.

- (c) The movements in impairment losses recognised in respect of other receivables are as follows:

|  | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|--|-------------------------------|------------------------|
| At beginning of the year               | <b>390</b>                    | 504                    |
| Exchange realignment                   | <b>25</b>                     | 9                      |
| Eliminated on disposal of subsidiaries | –                             | (123)                  |
| At end of the year                     | <b>415</b>                    | 390                    |

At 31 December 2015, included in the impairment loss are individually impaired other receivables with an aggregate balance of approximately RMB415,000 (2014: RMB390,000) which are due to long outstanding.

## 11. TRADE AND OTHER PAYABLES

|   | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|---|-------------------------------|------------------------|
| Trade payables                            | <b>21,751</b>                 | 13,569                 |
| Receipts in advance ( <i>Note (iii)</i> ) | <b>631,266</b>                | 44,449                 |
| Accrued expenses and other payables       | <b>6,494</b>                  | 6,209                  |
|   | <u><b>659,511</b></u>         | <u>64,227</u>          |

### *Notes:*

- (i) The Group normally receives credit period from suppliers ranging from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.
- (ii) An aged analysis of the trade payables at the end of the reporting period based on invoice date is as follows:

|                | <b>2015</b><br><i>RMB'000</i> | 2014<br><i>RMB'000</i> |
|----------------|-------------------------------|------------------------|
| Within 90 days | <b>12,814</b>                 | 10,987                 |
| 91 to 365 days | <b>8,937</b>                  | 5                      |
| Over 365 days  | –                             | 2,577                  |
|                | <u><b>21,751</b></u>          | <u>13,569</u>          |

- (iii) Receipts in advance represented sales proceeds received from buyers in connection with the Group's pre-sale of properties as at 31 December 2015 and 2014.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Property Development**

The Group owned a property development project located in Maoming City (the “Project”), Guangdong Province, the People’s Republic of China (the “PRC”). The Project will be developed into a composite of residential and commercial properties.

During the year, the Maoming property development project is still in construction and pre-sale stage, no revenue attributed to the property development segment was recorded (2014: nil). Phase 1 and 2 of the Project are scheduled to be completed and delivered in late 2016 and 2017 with total gross floor area of approximately 173,000 square metre. Phase 1 consists of ten buildings of 28 to 32 floors each. The pre-sale has begun since November 2014. As at 31 December 2015, residential properties and office premises of approximately 98,000 square metre and 2,000 square metre were contracted for sales which represented approximately 70% and 10% of the gross floor area of residential properties and office premises to be developed under Phase 1 and 2 of the Project respectively. The pre-sale of commercial properties of Phase 1 and 2 of the Project is planned to be launched in mid-2016 which consist of approximately 12,000 square metre.

The construction of Phase 3 of the Project is scheduled to commence in mid-2016 and will be completed in late 2018. The total gross floor area of Phase 3 of the Project is approximately 127,000 square metre which is mainly being residential properties consisting of nine buildings of 32 floors each.

#### **Trading**

##### ***Raw Sugar***

The Group has started its business in trading of raw sugar since late 2014. During the year, it continued to procure raw sugars from overseas suppliers and distribute to the customers in the PRC. Amid the decline in sugar price in 2015 and excessive supply in the market, the Group experience certain constraints in expanding the sugar trading business during the year. During the year, turnover attributed to the trading of raw sugar segment amounted to approximately RMB7,801,000 (2014: RMB11,108,000). In view of the recovery of raw sugar price and market conditions, the management is optimistic on the trading of raw sugar business in 2016 and will continue to look for growth opportunities.

##### ***Electronic Components***

Trading of electronic component includes the distribution of electronic related components, mobile phone modules and imported automation products. During the year, turnover attributed to the trading of electronic components amounted to approximately RMB16,642,000 (2014: nil) with a segment loss of approximately RMB345,000 was recorded. Amid the weak non-brand mobile phone market in the PRC, the Group planned to cease to engage in the trading of electronic components market in the coming year.

## **MARKET OUTLOOK AND PROSPECTS**

Looking ahead to 2016, there are increasing complexities and uncertainties in the global economy. The PRC may further experience a decelerated economic growth speed that the GDP growth is predicted to be between 6.5% to 7.0%, in a relatively lower range among recent years. As stated in various government reports, lowering the inventory of properties has become one key mission in 2016.

The management expects the real estate and relevant monetary policies will continue with easing. In 2016, the government has already decreased the mortgage down payment ratio, certain stamp and tax levies and deposit reserve rate. Certain purchase restriction policies have also be relieved.

While cautions investment policies will be imposed in view of the complicated economic conditions in the PRC, the continuous urbanisation in the PRC and infrastructure development in western Guangdong province in the next few years, the management is optimistic on the performance of the Project.

In 2016, the Group has planned to further diversify its business by both expanding its trading business and exploring other property and investment opportunity. After the completion of price adjustments in raw sugar in 2015, the management expects a more stable raw sugar pricing in 2016 which will increase our opportunity and reduce risks of our raw sugar trading business in the coming year.

## **FINANCIAL REVIEW**

For the year ended 31 December 2015, the Group's turnover amounted to approximately RMB7,801,000 (2014: RMB11,108,000). The turnover represented the trading of raw sugar. The loss attributable to owners of the Company was approximately RMB33,783,000 (2014: profit of RMB50,192,000). The loss are caused by the selling and distribution costs of pre-sales of the Project launched in late 2014. In 2014, a disposal gain, as a result of the disposal of Usualink Group, amounted to approximately RMB61,763,000 was recorded.

In 2015, the Group's operating activities generated a net cash inflow of approximately RMB178,450,000 (2014: outflow of RMB93,243,000) which was mainly due to the proceeds from the pre-sales of the Project.

At 31 December 2015, bank balances and cash was amounted to approximately RMB94,405,000 (2014: RMB239,352,000), including restricted bank deposit of approximately RMB7,651,000 (2014: RMB7,652,000).

At 31 December 2015, the total assets of the Group was approximately RMB1,656,810,000 (2014: RMB1,348,211,000), representing an increase of approximately 23% as a result of further construction and development on the property development project in Maoming City.

At 31 December 2015, the Group's total borrowings decreased to approximately RMB365,079,000 (2014: RMB612,415,000) due to the repayment of loans related to the construction of the Project. At 31 December 2015, the gearing ratio, expressed as a percentage of total borrowings over net assets was 70% (2014: 120%). The current ratio was 1.7 (2014: 3.3).

## **FINANCE COSTS**

For the year ended 31 December 2015, the finance costs from continuing operations were approximately RMB244,000 (2014: RMB227,000) and interest expenses of approximately RMB57,531,000 (2014: RMB18,858,000) was capitalised as properties under development. The charge mainly comprised of interest expenses on bank borrowings wholly repayable within five years of approximately RMB233,000 (2014: RMB227,000) and interest expenses on bank overdraft of approximately RMB11,000 (2014: nil).

## **CAPITAL STRUCTURE**

The issued ordinary share capital of the Company at 31 December 2015 was approximately HK\$152,448,000 divided into 1,524,478,520 shares of HK\$0.10 each.

## **FUND RAISING ACTIVITY**

On 18 November 2015, the Company and Celestial Capital Limited (the “Placing Agent”) entered into a placing agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 188,288,000 ordinary shares of the Company to not less than six places to subscribe at HK\$0.329 per placing share, for and on behalf of the Company (the “Placing”). The aggregate gross proceeds and the net proceeds (after deduction of applicable costs and expenses relating to the Placing) from the Placing were approximately HK\$62 million and HK\$61 million respectively, of which HK\$40 million was used for the payment of part of the retention fund of RMB50 million (equivalent to approximately HK\$61 million) in relation to the acquisition of Shenzhen Longshenghang Supply Chain Limited, details of which were set out in the Company’s announcement dated 25 September 2015, HK\$18 million was used as the working capital of the Company and the remaining HK\$3 million were retained at the bank at the end of the year.

The Board considers that the Placing represents a good opportunity to (i) strengthen the financial position of the Group; and (ii) broaden the shareholder base of the Company. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

## **CONVERSION OF PREFERENCE SHARES AND PREFERENCE A SHARES**

On 20 July 2015, the Company received conversion notices from China Sugar Holdings Limited (“China Sugar”) for the conversion of i) Preference Shares in the amount of HK\$90,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 236,842,105 ordinary shares issued to China Sugar upon the conversion of the said Preference Shares; and ii) Preference A Shares in the amount of HK\$2,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 5,263,157 ordinary shares issued to China Sugar upon the conversion of the said Preference A Shares.

Details of which are set out in the Company’s announcement dated 22 July 2015.

On 28 July 2015, the Company received conversion notices from an individual preference shareholder for the conversion of i) Preference Shares in the amount of HK\$10,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 26,315,789 ordinary shares issued to this individual preference shareholder upon the conversion of the said Preference Shares; and ii) Preference A Shares in the amount of HK\$6,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 15,789,473 ordinary shares issued to this individual preference shareholder upon the conversion of the said Preference A Shares.

In addition, on 6 August 2015, the Company received conversion notices from certain preference shareholders for the conversion of Preference A Shares in an aggregate amount of HK\$18,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 47,368,420 ordinary shares issued to these preference shareholders upon the conversion of the said Preference A Shares.

Furthermore, on 4 September 2015, the Company received conversion notices from an individual preference shareholder for the conversion of i) Preference Shares in the amount of HK\$10,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 26,315,789 ordinary shares issued to this individual preference shareholder upon the conversion of the said Preference Shares; and ii) Preference A Shares in an aggregate amount of HK\$14,000,000 in full at the conversion price of HK\$0.38 per ordinary share and resulted in a total number of 36,842,104 ordinary shares issued to certain preference shareholders upon the conversion of the said Preference A Shares.

Upon these conversions of preference shares, there is no Preference Shares or Preference A Shares of the Company in issue.

## **FOREIGN CURRENCY EXPOSURE**

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

## **CHARGE ON ASSETS**

At 31 December 2015, certain of the Group's leasehold land and buildings and properties under development with an aggregate carrying values of approximately RMB1,459,055,000 (2014: RMB1,082,057,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company. At 31 December 2015, banking facilities of approximately RMB607,638,000 (2014: RMB612,415,000) were utilised and approximately RMB9,353,000 (2014: RMB2,404,000) were unutilised and available for the Group's future financing.

## **SEGMENT INFORMATION**

The details of segment information are set out in note 4 of this announcement.

## **CAPITAL COMMITMENTS**

At 31 December 2015, the Group had commitments for properties under development contracted for but not provided in the consolidated financial statements of approximately RMB178,767,000 (2014: RMB321,259,000).

## **EMPLOYEE AND REMUNERATION POLICIES**

At 31 December 2015, the Group employed 66 full time employees (2014: 66) in Hong Kong and the PRC. The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

## **DIVIDEND**

The Board does not recommend any payment of dividend for the year ended 31 December 2015.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules.

Throughout the year under review, the Company has complied with all of the code provisions of the CG Code, except A.6.7 and E.1.2.

Under the Code Provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In addition, under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year ended 31 December 2015, at the annual general meeting held on 12 June 2015, the whole Board and the auditor of the Company have attended the meeting to answer questions of the shareholders of the Company except that Mr. Chen Xian (vice-chairman of the Board) and Mr. Chan Chun Fai (chairman of nomination committee) could not attend the meeting due to other business engagement but they have appointed the other attended Directors as their representative at the meeting to answer questions of the shareholders of the Company. In the future, the Company will try its best to encourage and ensure the independent non-executive Directors will attend the general meetings.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **PURCHASES, SALE AND REDEMPTION OF SECURITIES**

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

## **AUDIT COMMITTEE**

The Company established an audit committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. The audit committee currently comprises Mr. POON Lai Yin, Michael (Chairman), Mr. Char Shik Ngor, Stephen and Ms. Li Jiansheng. The audit committee has reviewed and discussed with the management and the external auditor the financial reporting matters including the annual results for the year ended 31 December 2015.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is available for viewing at the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and at the website of the Company at [www.chinauptown.com.hk](http://www.chinauptown.com.hk). The annual report will be dispatched to the shareholders of the Company and published on the above websites as soon as practicable.

By Order of the Board  
**China Uptown Group Company Limited**  
**Fu Lui**  
*Company Secretary*

Hong Kong, 29 March 2016

*As at the date of this announcement, the Board comprises executive Directors, Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung, Ms. Xia Dan and Mr. Liu Zhongxiang; and independent non-executive Directors Mr. Poon Lai Yin, Michael, Mr. Char Shik Ngor, Stephen and Ms. Li Jiansheng.*