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**MASON FINANCIAL HOLDINGS LIMITED**  
**民信金控有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 273)**

**FINAL RESULTS FOR THE YEAR ENDED  
31 DECEMBER 2015**

**RESULTS**

The Board of Directors (the “Board”) of Mason Financial Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (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 COMPREHENSIVE INCOME**  
*For the year ended 31 December 2015*

	<i>Note</i>	<b>2015</b> <b>HK\$’000</b>	2014 <i>HK\$’000</i> <i>(restated)</i>
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	2 & 3	<b>166,517</b>	567,458
Other income		<b>3,605</b>	1,006
Employee benefits expenses		<b>(15,524)</b>	(10,178)
Depreciation		<b>(440)</b>	(283)
(Provision for) Reversal of allowance for doubtful debts, net		<b>(26,725)</b>	990
Loss on disposal of property, plant and equipment		<b>(1,659)</b>	—
Gain on disposal of interests in subsidiaries		<b>156,926</b>	—
Gain on disposal of interests in an associate	8	<b>323,767</b>	—
Gain arising from acquisition of interests in associates		—	213,473
Loss arising from changes in shareholding in associates	8	<b>(163,534)</b>	(21,247)
(Loss) Gain on disposal of available-for-sale financial assets, net		<b>(4,210)</b>	1,577
Net fair value (loss) gain on investments held for trading		<b>(91,386)</b>	149,778

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i> <i>(restated)</i>
Net fair value loss on investments designated as at fair value upon initial recognition		—	(1,925)
Other operating expenses		<b>(35,020)</b>	(25,230)
Finance costs	4	<b>(2,782)</b>	(626)
Share of results of associates		<b>(136,140)</b>	(121,231)
Share of results of a joint venture		<u><b>68,929</b></u>	<u>(10,056)</u>
<b>Profit before taxation</b>	4	<b>242,324</b>	743,506
Income tax expense	5	<u><b>(263)</b></u>	<u>—</u>
<b>Profit for the year from continuing operations</b>		<u><b>242,061</b></u>	<u>743,506</u>
<b>DISCONTINUED OPERATIONS</b>			
(Loss) Profit for the year from discontinued operations		<u><b>(673)</b></u>	<u>624</u>
<b>Profit for the year</b>		<u><b>241,388</b></u>	<u>744,130</u>
<b>Other comprehensive (loss) income:</b>			
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>			
Net fair value gain on available-for-sale financial assets		<b>533,444</b>	14,453
Derecognition of available-for-sale financial assets revaluation reserve upon disposal of available-for-sale financial assets		<b>(155,241)</b>	—
Derecognition of available-for-sale financial assets revaluation reserve upon disposal of a subsidiary		<b>(397,500)</b>	—
Derecognition of available-for-sale financial assets revaluation reserve upon disposal of an associate		<b>4,595</b>	—
Derecognition of foreign currency translation reserve upon disposal of a subsidiary		<b>8,716</b>	—
Share of other comprehensive loss of associates		<b>(3,173)</b>	(2,941)
Share of other comprehensive income (loss) of a joint venture		<u><b>5,401</b></u>	<u>(1,354)</u>
Other comprehensive (loss) income for the year		<u><b>(3,758)</b></u>	<u>10,158</u>
<b>Total comprehensive income for the year</b>		<u><b>237,630</b></u>	<u>754,288</u>

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> <i>(restated)</i>
<b>Profit (Loss) attributable to:</b>			
Equity holders of the Company			
- Continuing operations		<b>357,821</b>	743,506
- Discontinued operations		<b>(673)</b>	624
		<b>357,148</b>	744,130
Non-controlling interests			
- Continuing operations		<b>(115,760)</b>	—
Profit for the year		<b><u>241,388</u></b>	<b><u>744,130</u></b>
<b>Total comprehensive income (loss) attributable to:</b>			
Equity holders of the Company			
- Continuing operations		<b>354,063</b>	753,664
- Discontinued operations		<b>(673)</b>	624
		<b>353,390</b>	754,288
Non-controlling interests			
- Continuing operations		<b>(115,760)</b>	—
<b>Total comprehensive income for the year</b>		<b><u>237,630</u></b>	<b><u>754,288</u></b>
<b>Earnings (Loss) per share</b>			
Basic and diluted			
- Continuing operations	7	<b><u>HK2.40 cents</u></b>	<b><u>HK5.26 cents</u></b>
- Discontinued operations		<b><u>HK(0.01) cents</u></b>	<b><u>HK0.01 cents</u></b>
- Continuing and discontinued operations		<b><u>HK2.39 cents</u></b>	<b><u>HK5.27 cents</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2015*

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		—	11,650
Property, plant and equipment		<b>1,869</b>	657
Interests in associates	8	<b>485,872</b>	995,771
Interests in a joint venture	9	—	559,945
Available-for-sale financial assets	10	<b>90,000</b>	21,169
Other investments		—	4,580
Deposit paid for acquisition of investment properties		—	2,400
Deposits paid for acquisition of subsidiaries		<b>223,556</b>	—
Deposit paid for acquisition of available-for-sale financial assets		<b>63,472</b>	—
		<u><b>864,769</b></u>	<u>1,596,172</u>
<b>Current assets</b>			
Available-for-sale financial assets	10	—	28,126
Financial assets at fair value through profit or loss	11	<b>2,898,407</b>	470,599
Loans receivable	12	<b>155,968</b>	320,373
Other receivables		<b>45,038</b>	2,594
Bank balances and cash		<b>444,684</b>	176,321
		<b>3,544,097</b>	998,013
Non-current assets classified as held for sale		—	4,996
		<u><b>3,544,097</b></u>	<u>1,003,009</u>
<b>Current liabilities</b>			
Other payables		<b>36,718</b>	9,337
Interest-bearing borrowings	13	<b>296,143</b>	4,183
Tax payables		<b>781</b>	—
		<u><b>333,642</b></u>	<u>13,520</u>
<b>Net current assets</b>		<u><b>3,210,455</b></u>	<u>989,489</u>
<b>Total assets less current liabilities</b>		<u><b>4,075,224</b></u>	<u>2,585,661</u>
<b>Non-current liabilities</b>			
Unsecured bonds	14	<b>20,000</b>	20,000
Deferred tax liabilities		—	59
		<u><b>20,000</b></u>	<u>20,059</u>
<b>NET ASSETS</b>		<u><b>4,055,224</b></u>	<u>2,565,602</u>
<b>Capital and reserves</b>			
Share capital		<b>2,550,372</b>	2,400,372
Reserves		<b>476,092</b>	165,230
Equity attributable to equity holders of the Company		<b>3,026,464</b>	2,565,602
Non-controlling interests		<b>1,028,760</b>	—
<b>TOTAL EQUITY</b>		<u><b>4,055,224</b></u>	<u>2,565,602</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2014 consolidated financial statements except for the adoption of the new/revised HKFRSs effective from the current year that are relevant to the Group which are the Amendments to HKFRS 3: *Business Combinations*, Amendments to HKFRS 8: *Operating Segments*, Amendments to HKFRS 13: *Fair Value Measurement*, Amendments to HKAS 16: *Property, Plant and Equipment*, Amendments to HKAS 24: *Related Party Disclosures* and Amendments to HKAS 40: *Investment Property*. The adoption of the aforesaid new/revised HKFRSs that are relevant to the Group and effective from the current year have no material impact on the results of the Group.

#### **Impact of the Hong Kong Companies Ordinance (Cap. 622)**

The financial-reporting requirements of Part 9 “Accounts and Audit” of the ordinance comes into operation for the preparation of these consolidated financial statements and as a result, there are changes to the presentation and disclosures of certain information as compared with the 2014 consolidated financial statements. Where appropriate, the comparative information has been amended to achieve a consistent presentation.

At the date of authorisation of these consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted. The directors do not anticipate that the adoption of these new/revised HKFRSs (which may be relevant to the Group) in the future periods will have material impact on the result of the Group.

## 2. REVENUE

Revenue recognised from the principal activities of the Group during the year including trading of investments, provision of financial services, property investment and investment holding is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> <i>(restated)</i>
<b>Continuing operations</b>		
Net gain from the sale of investments at fair value through profit or loss*	133,393	520,005
Dividend income from investments at fair value through profit or loss	15,604	29,058
Interest income from investments at fair value through profit or loss	1,247	5,844
Interest income from loans and other receivables	<u>16,273</u>	<u>12,551</u>
	<b>166,517</b>	567,458
<b>Discontinued operations</b>		
Rental income	<u>193</u>	<u>430</u>
	<b><u>166,710</u></b>	<b><u>567,888</u></b>

\* Represented the proceeds from the sale of investments at fair value through profit or loss of HK\$1,567,789,000 (2014: HK\$1,592,434,000) less relevant costs and carrying value of the investments sold of HK\$1,434,396,000 (2014: HK\$1,072,429,000).

## 3. SEGMENT INFORMATION

The directors have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments based on the Group's internal reporting in respect of these segments. The directors consider trading of investments, provision of financial services, property investment and investment holding are the Group's major operating segments. Segment results represent the profit earned or loss incurred by each segment. The following analysis is the measurement method reported to chief operating decision makers for the purpose of resources allocation and assessment of segment performance.

Operating segments of the Group comprise the following:

Trading of investments	: Purchase and sale of securities
Provision of financial services	: Provision of loan financing services
Property investment	: Holding properties for rental and capital appreciation
Investment holding	: Holding investments for dividend and investment income and capital appreciation

(a) Segment revenue and results

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

Year ended 31 December 2015

	Continuing operations					Discontinued operations	Total HK\$'000
	Trading of investments HK\$'000	Provision of financial services HK\$'000	Investment holding HK\$'000	Unallocated HK\$'000	Sub-total HK\$'000	Property	
						investment HK\$'000	
<b>Year ended 31 December 2015</b>							
<b>Segment revenue</b>	<u>150,244</u>	<u>16,273</u>	<u>—</u>	<u>—</u>	<u>166,517</u>	<u>193</u>	<u>166,710</u>
Profit (Loss) for the year before following items:	27,540	(5,937)	14,229	(34,805)	1,027	(663)	364
Loss on disposal of property, plant and equipment	—	—	—	(1,659)	(1,659)	—	(1,659)
Gain on disposal of interests in subsidiaries	—	—	156,926	—	156,926	37	156,963
Gain on disposal of interests in an associate	—	—	323,767	—	323,767	—	323,767
Loss arising from changes in shareholding in associates	—	—	(163,534)	—	(163,534)	—	(163,534)
Loss on disposal of available-for-sale financial assets, net	—	—	(4,210)	—	(4,210)	—	(4,210)
Finance costs	(1,782)	—	(1,000)	—	(2,782)	(47)	(2,829)
Share of results of associates	—	—	(136,140)	—	(136,140)	—	(136,140)
Share of results of a joint venture	—	—	68,929	—	68,929	—	68,929
Profit (Loss) before taxation	25,758	(5,937)	258,967	(36,464)	242,324	(673)	241,651
Income tax expense	—	—	(263)	—	(263)	—	(263)
<b>Segment results</b>	<u>25,758</u>	<u>(5,937)</u>	<u>258,704</u>	<u>(36,464)</u>	<u>242,061</u>	<u>(673)</u>	<u>241,388</u>

Year ended 31 December 2014

	Continuing operations					Discontinued operations	
	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue</b>	<u>554,907</u>	<u>12,551</u>	<u>—</u>	<u>—</u>	<u>567,458</u>	<u>430</u>	<u>567,888</u>
Profit (Loss) for the year before following items:	674,348	12,131	16,401	(21,264)	681,616	756	682,372
Gain arising from acquisition of interests in associates	—	—	213,473	—	213,473	—	213,473
Loss arising from changes in shareholding in associates	—	—	(21,247)	—	(21,247)	—	(21,247)
Gain on disposal of available-for-sale financial assets, net	—	—	1,577	—	1,577	—	1,577
Finance costs	(244)	—	(382)	—	(626)	(116)	(742)
Share of results of associates	—	—	(121,231)	—	(121,231)	—	(121,231)
Share of results of a joint venture	<u>—</u>	<u>—</u>	<u>(10,056)</u>	<u>—</u>	<u>(10,056)</u>	<u>—</u>	<u>(10,056)</u>
Profit (Loss) before taxation	674,104	12,131	78,535	(21,264)	743,506	640	744,146
Income tax expense	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(16)</u>	<u>(16)</u>
<b>Segment results</b>	<u>674,104</u>	<u>12,131</u>	<u>78,535</u>	<u>(21,264)</u>	<u>743,506</u>	<u>624</u>	<u>744,130</u>

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in both years.

Revenue and expenses are allocated to the reporting segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The accounting policies of the operating segments are the same as the Group's accounting policies to the consolidated financial statements. Segment results represent the results achieved by each segment without allocation of central administration costs including directors' emoluments. This is the measurement method reported to the chief operating decision makers for the purpose of resources allocation and assessment of segment performance.



**(b) Segment assets and liabilities**

An analysis of the Group's assets and liabilities by operating segments is set out below.

	Continuing operations			Discontinued operations		Total HK\$'000
	Trading of investments HK\$'000	Provision of financial services HK\$'000	Investment holding HK\$'000	Sub-total HK\$'000	Property investment HK\$'000	
<b>At 31 December 2015</b>						
<b>Assets</b>						
Segment assets	3,003,703	156,836	533,737	3,694,276	—	3,694,276
Interests in associates	—	—	485,872	485,872	—	485,872
Unallocated assets						<u>228,718</u>
Total assets						<u>4,408,866</u>
<b>Liabilities</b>						
Segment liabilities	(330,273)	(532)	(22,787)	(353,592)	—	(353,592)
Unallocated liabilities						<u>(50)</u>
Total liabilities						<u>(353,642)</u>

	Continuing operations			Discontinued operations		Total HK\$'000
	Trading of investments HK\$'000	Provision of financial services HK\$'000	Investment holding HK\$'000	Sub-total HK\$'000	Property investment HK\$'000	
<b>At 31 December 2014</b>						
<b>Assets</b>						
Segment assets	532,137	455,836	34,195	1,022,168	14,277	1,036,445
Interests in associates	—	—	995,771	995,771	—	995,771
Interests in a joint venture	—	—	559,945	559,945	—	559,945
Unallocated assets						<u>7,020</u>
Total assets						<u>2,599,181</u>
<b>Liabilities</b>						
Segment liabilities	(88)	(115)	(22,327)	(22,530)	(4,326)	(26,856)
Unallocated liabilities						<u>(6,723)</u>
Total liabilities						<u>(33,579)</u>

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

- Segment assets include mainly all tangible assets, interests in a joint venture and associates, available-for-sale financial assets, financial assets at fair value through profit or loss, loans receivable, other receivables and cash and cash equivalents. All assets are allocated to operating segments other than unallocated head office and corporate assets as these assets are managed on a group basis.
- Segment liabilities include other payables, interest-bearing borrowings, unsecured bonds and tax payables. All liabilities are allocated to operating segments other than unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

(c) **Other segment information**

	Continuing operations				Discontinued operations		Total HK\$'000
	Trading of investments HK\$'000	Provision of financial services HK\$'000	Investment holding HK\$'000	Unallocated HK\$'000	Sub-total HK\$'000	Property investment HK\$'000	
<b>Year ended 31 December 2015</b>							
Capital expenditure	—	(570)	(1,550,483)	(782)	(1,551,835)	(53,796)	(1,605,631)
Depreciation	—	(55)	(200)	(156)	(411)	(29)	(440)
Interest income included in revenue and other income	1,249	16,273	1,355	—	18,877	—	18,877
Provision for allowance for doubtful debts, net	—	(26,725)	—	—	(26,725)	—	(26,725)
Net fair value loss on investments held for trading	<u>(91,386)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(91,386)</u>	<u>—</u>	<u>(91,386)</u>

	Continuing operations					Discontinued	Total
	Trading of investments <i>HK\$'000</i>	Provision of financial services <i>HK\$'000</i>	Investment holding <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	
Year ended 31 December 2014							
Capital expenditure	—	(325)	(891,932)	(196)	(892,453)	—	(892,453)
Depreciation	—	(46)	—	(157)	(203)	(80)	(283)
Interest income included in revenue and other income	5,846	12,551	—	—	18,397	—	18,397
Reversal of allowance for doubtful debts, net	—	990	—	—	990	—	990
Net fair value gain on investments held for trading	149,778	—	—	—	149,778	—	149,778
Net fair value loss on investments designated as at fair value upon initial recognition	(1,925)	—	—	—	(1,925)	—	(1,925)
Gain arising from changes in fair value of investment properties	—	—	—	—	—	550	550

**(d) Geographical information**

The Group's operations are located in Hong Kong (2014: *Hong Kong and Kingdom of Bhutan*).

The Group's revenue from external customers by locations of operations and information about the non-current assets (excluding financial instruments) by locations of assets are in Hong Kong.

(e) **Information about major customers**

During the year, included in the revenue arising from provision of financial services and property investment segments of HK\$16,466,000 (2014: HK\$12,981,000) were revenue arose from interest income from the following customers which contributed individually 10% or more of revenue.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	2,110	—
Customer B	1,926	—
Customer C	1,732	1,367
Customer D	1,095	2,041
Customer E	<u>—</u>	<u>1,364</u>
	<u>6,863</u>	<u>4,772</u>

Revenue of customers A, B, C, D and E are derived from the Group's provision of financial services segment.

**4. PROFIT BEFORE TAXATION**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> <i>(restated)</i>
This is stated after charging:		
<b>Continuing operations</b>		
<b>Finance costs</b>		
Interest on bank and other borrowings	<u>2,782</u>	<u>626</u>
<b>Other items</b>		
Staff costs (excluding directors' emoluments)		
Salaries, allowances and benefits in kind	7,782	4,997
Severance payments	3,826	—
Contributions to defined contribution retirement schemes	<u>224</u>	<u>214</u>
	<u>11,832</u>	<u>5,211</u>
Auditor's remuneration	1,286	1,300
Operating lease payments on equipment	72	99
Operating lease payments on premises	<u>10,081</u>	<u>4,902</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> <i>(restated)</i>
<b>Discontinued operations</b>		
<b>Finance costs</b>		
Interest on bank borrowings	<u>47</u>	<u>116</u>
<b>Other items</b>		
Auditor's remuneration	—	14
Direct operating expenses arising from investment properties that generated rental income	<u>66</u>	<u>104</u>

## 5. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profit arising from Hong Kong during the year. In 2014, Hong Kong Profits Tax had not been provided as the Group's estimated assessable profits for the year are wholly absorbed by unrelieved tax losses brought forward from previous years.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Continuing operations</b>		
Hong Kong Profit Tax		
Current year provision	<u>263</u>	<u>—</u>
Tax expense from continuing operations	<u>263</u>	<u>—</u>
<b>Discontinued operations</b>		
Deferred taxation		
Origination of temporary differences	<u>—</u>	<u>16</u>
Tax expense from discontinued operations	<u>—</u>	<u>16</u>
<b>Total tax expense for the year</b>	<u>263</u>	<u>16</u>

## 6. DIVIDEND

The directors of the Company do not recommend the payment of a dividend for both years.

## 7. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share is based on profit (loss) attributable to equity holders of the Company and the weighted average number ordinary shares in issue during the year as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Profit (Loss) attributable to equity holders of the Company</b>		
Continuing operations	357,821	743,506
Discontinued operations	<u>(673)</u>	<u>624</u>
	<u><b>357,148</b></u>	<u><b>744,130</b></u>
	2015 <i>No. of shares '000</i>	2014 <i>No. of shares '000</i>
Issued ordinary shares at the beginning of the reporting period	14,114,453	150,554
Effect of shares issued during the year	<u>770,548</u>	<u>13,963,899</u>
Weighted average number of ordinary shares for basic earnings per share	<u><b>14,885,001</b></u>	<u><b>14,114,453</b></u>

The Company had no dilutive potential ordinary shares for both years. Accordingly, the diluted earnings (loss) per share was same as the basic earnings (loss) per share for both years.

## 8. INTERESTS IN ASSOCIATES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Unlisted shares</b>		
Share of net assets	<u><b>485,872</b></u>	<u><b>995,771</b></u>

As at 31 December 2015, interests in associates of HK\$485,872,000 represented 21.33% equity interest in Freewill Holdings Limited (“Freewill”), a company incorporated in the Republic of the Marshall Islands with limited liability. The principal activity of Freewill and its subsidiaries (together “Freewill Group”) is investment holding.

## **Freewill Group**

Upon the termination of joint venture agreement as mentioned in note 9 below, the Group's interests in Freewill has been reclassified from interests in a joint venture to interests in associates. In July 2015, Freewill issued 38,000,000, 80,000,000, 14,550,000 and 22,000,000 ordinary shares to three third-party investors and the Group at cash considerations of HK\$209,000,000, HK\$440,000,000, HK\$80,000,000 and HK\$121,000,000 respectively, which reduce the Group's interests in Freewill from 34.70% to 27.20%, resulting in a loss arising from changes in shareholding of associates of HK\$26,911,000 recognised in profit or loss.

In September 2015, Freewill issued 116,000,000 ordinary shares to a third-party investor, which further reduced the Group's interests in Freewill from 27.20% to 21.33%, resulting in a loss arising from changes in shareholding in associates of HK\$133,742,000 recognised in profit or loss.

## **BVHP**

As at 31 December 2014, interests in associates of HK\$42,174,000 represented the Group's interests in 33.33% of the issued ordinary share capital of Bhutan Ventures Hospitality Private Limited ("BVHP"). In May 2015, the Group entered into a sale and purchase agreement with Cordoba Homes Limited ("Cordoba") for disposal of the Group's entire interest in BVHP at an aggregate consideration of HK\$42,350,000, which was satisfied by the allotment and issue of 9,474,273 shares of Cordoba. The shares of Cordoba had been recognised as available-for-sale financial assets, which were subsequently disposed in September 2015, resulting in a loss on disposal of HK\$16,940,000 recognised in profit or loss. In the opinion of the directors, the consideration received approximates the share of the net assets value of Cordoba.

## **FCL Group**

As at 31 December 2014, interests in associates of HK\$953,597,000 represented 25.7% equity interests in Freeman Corporation Limited ("FCL") and its subsidiaries (together "FCL Group"). In July 2015, FCL issued 196,344,827 new shares to an investor, which diluted the Group's interests in FCL to 23.86%, resulting in a loss arising from changes in shareholding in FCL of HK\$9,207,000 recognised in profit or loss.

In June 2015, the Group entered into an option agreement with an individual investor at a nominal amount of HK\$1 for which the individual investor granted to Co-Lead Holdings Limited ("Co-Lead") an option to require the individual investor to purchase Co-Lead's interests in FCL shares up to 10% of the issued share capital of FCL at an exercise price of HK\$3.18 per FCL share (the "Put Options") and Co-Lead granted the individual investor an option to require Co-Lead to sell up to 10% of the issued share capital of FCL at an exercise price of HK\$3.18 per FCL share (the "Call Options") provided that Co-Lead's interests in FCL is more than 35% of the issued share capital of FCL for both Call/Put Options. The Call/Put Options would expire on 22 August 2015.

In June 2015 and July 2015, Co-Lead acquired 8.83% and 6.79% additional equity interests in FCL in the share swap agreements with two third-party investors respectively ("First and Second Share Swaps"). Upon completion, Co-Lead's interests in FCL increased from 23.86% to 39.48%, triggering the exercise of the Call/Put Options.

In July 2015, the individual investor exercised 81,717,607 Call Options to purchase 81,717,607 FCL shares (representing 6.5% of the issued share capital of FCL) at a consideration of HK\$259,862,000 by way of a promissory note, which was fully settled in August 2015. Upon completion of the above transactions, Co-Lead held 32.98% equity interests in FCL and the Group's effectively beneficial interests in FCL was approximately 20%. In the opinion of the directors, the First and Second Share Swaps and the issue and exercise of Call/Put Options were a series of transactions in order to increase Co-Lead's effective voting power at FCL shareholders meetings and to generate cash resources to develop Co-Lead's business, resulting in a gain arising from changes in shareholding in associates of HK\$27,642,000 recognised in profit or loss.

Upon the completion of the above transactions, the carrying amount of the non-controlling interests in Co-Lead and its subsidiaries ("Co-Lead Group") was HK\$861,992,000. This resulted in an increase in non-controlling interests of HK\$861,992,000.

In August 2015, FCL made a share buy-back offer to two non-controlling shareholders of FCL to buy-back all the FCL shares held by them at a buy-back price of HK\$1.23 per FCL shares. A non-controlling shareholder of FCL accepted the offer of the share buy-back in August 2015, resulting in a loss arising from changes in shareholding in FCL of HK\$21,316,000 recognised in profit or loss. In October 2015, the Group accepted the buy-back offer in respect of its 414,627,220 FCL shares at an aggregate consideration of HK\$509,991,000 which was satisfied by a three-month zero coupon note with principal amount of HK\$509,991,000 issued by FCL's ultimate holding company, Freeman Financial Corporation Limited. The three-month zero coupon note was settled in October 2015. Upon completion, a gain of HK\$323,767,000 has been recognised in profit or loss.

## 9. INTERESTS IN A JOINT VENTURE

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
<b>Unlisted shares</b>		
Share of net assets	<u>—</u>	<u>559,945</u>

As at 31 December 2014, interests in a joint venture represents 34.7% equity interests in Freewill, which had been classified as interests in a joint venture as Freewill is an entity in which the Group had a long term equity interest and of which the Group shares joint control with another party when certain important decisions of Freewill, under contractual arrangement, require unanimous consent of the parties sharing control. The purpose of Freewill's business is to hold shares in HEC Capital Limited ("HEC") for investing purpose. The joint venture was accounted for using equity method in these consolidated financial statements.

On 2 July 2015, the Group and the joint venture partner terminated the joint venture agreement and, therefore, the Group's equity interests in Freewill has been reclassified as interests in an associate.



## 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Equity securities, listed in Hong Kong, at fair value	<u>—</u>	<u>28,126</u>
Unlisted investments, at cost	<b>90,000</b>	22,000
Impairment loss	<u>—</u>	<u>(13,231)</u>
	<b><u>90,000</u></b>	<u>8,769</u>
Club membership, at cost	—	13,920
Impairment loss	<u>—</u>	<u>(1,520)</u>
	<u>—</u>	<u>12,400</u>
	<b><u>90,000</u></b>	<b><u>49,295</u></b>
Analysed as:		
Non-current	<b>90,000</b>	21,169
Current	<u>—</u>	<u>28,126</u>
	<b><u>90,000</u></b>	<b><u>49,295</u></b>

As at 31 December 2015, unlisted investments of HK\$90,000,000 represented 4.27% equity interests in Joint Global Limited (“Joint Global”), a company incorporated in the Republic of the Marshall Islands with limited liability. The principal activity of Joint Global is investment holding.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Analysis of financial assets at fair value through profit or loss:

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Investments held for trading</b>			
Equity securities - listed in Hong Kong		<b>2,866,198</b>	403,200
Bonds - listed overseas		<u>32,209</u>	<u>45,821</u>
	<i>(a)</i>	<b>2,898,407</b>	449,021
<b>Investments designated as at fair value upon initial recognition</b>			
Unlisted derivative financial instruments		<u>—</u>	<u>21,578</u>
		<u><b>2,898,407</b></u>	<u>470,599</u>

*Notes:*

- (a) The fair values of listed equity securities and listed bonds are based on quoted market prices in active markets.
- (b) At the end of the reporting period, the Group has loan facility of HK\$500,000,000 (2014: HK\$Nil) and margin facilities of HK\$328,885,000 (2014: HK\$166,010,000) from certain financial institutions and brokers, which are secured by the Group's financial assets at fair value through profit or loss and bank balances (2014: financial assets at fair value through profit or loss and available-for-sale financial assets) with carrying amounts of HK\$2,898,407,000 and HK\$50,000 respectively (2014: HK\$356,139,000 and HK\$28,126,000 respectively). HK\$296,143,000 and HK\$33,332,000 (2014: none and none) of the amounts have been utilised respectively at the end of the reporting period.

## 12. LOANS RECEIVABLE

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loans receivable from:

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
From third parties	<i>(a)</i>	<b>30,000</b>	324,687
From an associate	<i>(b)</i>	<b><u>125,968</u></b>	<u>—</u>
		<b>155,968</b>	324,687
Allowance for doubtful debts	<i>(c)</i>	<u>—</u>	<u>(4,314)</u>
		<b><u>155,968</u></b>	<b><u>320,373</u></b>
Short term loans, net of allowance		<b>155,968</b>	320,070
Instalment loans, net of allowance		<u>—</u>	<u>303</u>
		<b><u>155,968</u></b>	<b><u>320,373</u></b>

### *Notes:*

- (a) At the end of the reporting period, loans receivable (i) are unsecured; (ii) carry variable and fixed interest rates and have effective interest rates ranging from around 5% to 24% per annum (2014: from around 5% to 24% per annum); (iii) include no balances (2014: balances of HK\$4,310,000) which are past due more than one year; and (iv) include balances of HK\$30,000,000 (2014: HK\$320,377,000) which are within the respective maturity dates.
- (b) As at 31 December 2015, the loan receivable from an associate was unsecured, interest-bearing at fixed rate of 1% per month and repayable within two months from drawdown date. The amount was fully settled in January 2016.

(c) Movements in the allowance for doubtful debts is as follows:

	<b>2015</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
At the beginning of the reporting period	<b>4,314</b>	5,304
Increase in allowance	<b>27,032</b>	390
Reversal of allowance	<b>(307)</b>	(1,380)
Written off	<b><u>(31,039)</u></b>	<u>—</u>
<b>At the end of the reporting period</b>	<b><u>—</u></b>	<b><u>4,314</u></b>

A provision for allowance for doubtful debts of HK\$27,032,000 has been made during the year and then written off as a result of sum of loans and interest receivables in relation to six loans being realised into cash of HK\$10,000,000. The directors assessed the collectability of loans receivable at the end of the reporting period individually with reference to borrowers' past settlement history and current creditworthiness. No loans receivables (2014: HK\$4,314,000 in respect of two borrowers) were determined to be impaired as a result of the assessment. In the opinion of the directors, there was no indication of deterioration in the collectability of the loan receivables of HK\$155,968,000 (2014: HK\$320,373,000) and thus no additional allowance was considered necessary.

No loans receivable were past due but not impaired as at 31 December 2015 and 2014. Loans receivable that were neither past due nor impaired related to several borrowers for whom there was no history of default.

The creation and release of allowance for doubtful debts have been included in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of collectability.

### 13. INTEREST-BEARING BORROWINGS

	<b>2015</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured bank loans repayable within one year or on demand	<b><u>296,143</u></b>	<u>4,183</u>

As at 31 December 2015, the bank loan carrying interest rate of 1.5% to 3.25% above the bank's cost of funds for relevant currency per annum is secured by the Group's financial assets at fair value through profit or loss and bank balance of HK\$1,646,138,000 and HK\$50,000 respectively and repayable within one to three months from the date of drawdown. The loan facilities granted to the Group amounted to HK\$500,000,000, of which HK\$296,143,000 was utilised at the end of the reporting period.

As at 31 December 2014, the bank loan carrying floating interest rate of 2.5% above one month HIBOR\* per annum and containing a repayment on demand clause was secured by the Group's investment properties with carrying value of HK\$11,100,000. The bank loan with a clause in the term that gave the bank an overriding right to demand repayment without notice or with notice period of less than 12 months at its sole discretion, were classified as current liabilities even though the directors did not expect that the bank would exercise their rights to demand repayment.

*\* Represents the Hong Kong Interbank Offer Rate as quoted by Chong Hing Bank*

#### **14. UNSECURED BONDS**

At the end of the reporting period, there are two outstanding unsecured bonds with the principal amount of HK\$10 million each issued in 2014 to two third-party investors separately. The bonds are interest-bearing at 5% per annum payable annually in arrears and repayable in 2021.

#### **15. EVENTS AFTER THE REPORTING PERIOD**

The Group had the following events after the end of the reporting period:

- (a) In November 2015, the Group entered into a sale and purchase agreement with a third-party to acquire the entire issued share capital of GuocoCapital Bullion Limited ("GBL"), GuccoCapital Limited ("GCL") and GuocoCapital Futures Limited ("GFL") at an aggregate consideration of approximately HK\$441 million. GBL principally engaged in provision of bullion trading services. GCL principally engaged in dealing in securities, provision of securities margin financing and provision of investment corporate finance advisory services and is a licensed corporation under the Securities and Futures Ordinance (the "SFO") carrying licenses types 1, 4, and 6 regulated activities and an exchange participant of the Stock Exchange. GFL principally engaged in commodities brokering and is a licensed corporation under the SFO carrying licenses type 2 and a clearing participant of the HKFE Clearing Corporation Limited. As at 31 December 2015, the Group paid a deposit of HK\$219 million for the acquisition of these companies. The acquisition was completed in February 2016.

As at the date of approval for issuance of the consolidated financial statements, the initial accounting for the above business combinations is incomplete as the fair value assessments of goodwill and intangible assets, if any, of GBL, GCL and GFL had not been finalised and therefore, no financial information of these companies as at the completion dates could be disclosed.

- (b) In June 2015, the Group entered into a sale and purchase agreement with third parties to acquire 100% equity interest in Thomas Securities Company Limited (“Thomas Securities”) at an aggregate consideration of HK\$3 million. The Company paid a deposit of HK\$1 million as at 31 December 2015. Thomas Securities engages in provision of brokerage services and is a licensed corporation under the SFO carrying licenses type 1 regulated activities and an exchange participant of the Stock Exchange. The acquisition was completed in February 2016.

As at the date of approval for issuance of the consolidated financial statements, the initial accounting for the above business combination is incomplete as the fair value assessments of goodwill and intangible assets, if any, of Thomas Securities had not been finalised and therefore, no financial information of Thomas Securities as at the completion date could be disclosed.

- (c) In September 2015, the Company entered into an agreement with the promoters. Under the agreement, subject to the conditions precedent set out therein, the promoters intend to form a joint stock company (“Joint Stock Company”) in Shanghai, which would be principally engaged in securities related business with full licences to be approved by the China Securities Regulatory Commission in the People’s Republic of China (the “PRC”). Pursuant to the agreement, the Group would own 10% shareholding in the Joint Stock Company and the capital contribution to be paid by the Company in cash would be RMB350 million (equivalent to approximately HK\$423 million).

On 2 December 2015, the Company entered into a supplementary agreement pursuant to which the Company’s shareholding in the Joint Stock Company would increase from 10% to 15% and the capital contribution to be paid by the Company in cash would increase from RMB350 million (equivalent to approximately HK\$423 million) to RMB525 million (equivalent to approximately HK\$634.7 million). According to the relevant PRC regulations, after the Company has become a shareholder of the Joint Stock Company, the Company would not transfer any of its shares in the Joint Stock Company within 48 months commencing from the date of acquisition. As at 31 December 2015, the Group paid RMB52.5 million (equivalent to HK\$63.4 million) as a deposit for capital injection of the Joint Stock Company. Subsequent to the end of the reporting period, the formation of Joint Stock Company was approved by the China Securities Regulatory Commission and the Ministry of Commerce in March 2016. Registration procedure with other relevant PRC regulatory authorities is being proceeded with. The transaction has not yet been completed at date of this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **DIVIDEND**

The Board does not recommend the payment of a dividend for the Year (2014: nil).

### **FINAL RESULTS**

During the Year, the Group reported a revenue of approximately HK\$167 million compared with a revenue of approximately HK\$568 million for the corresponding period in 2014. The decrease in revenue was mainly attributable to the decrease in net realised gain from sale of investments at fair value through profit or loss by approximately HK\$387 million.

The Group reported a profit attributable to equity holders for the Year of approximately HK\$357 million (2014: approximately HK\$744 million) . The decrease in profit year-on-year was primarily attributable to smaller realized gain on investments held for trading. The amount of earnings per share for the Year was approximately HK2.39 cents (2014: HK5.27 cents).

### **BUSINESS REVIEW & PROSPECTS**

Global financial markets underwent a period of turbulence amid a re-pricing of global economic growth prospects triggered by concerns over a slowdown in the Mainland economy. Hong Kong stock prices went on a global roller-coaster ride, showing sharp fluctuations during 2015. The Hang Seng Index climbed up to reach a seven-year high over 28,000 points in April. Upon the spike in Greek debt crisis, trepidation about the negative spillovers of US interest rate hikes and dimmer global economic outlook Hang Seng Index lost ground subsequently, finishing the Year below 22,000 points, representing about 7.2% lower than a year earlier.

Equity markets worldwide witnessed sharp sell-offs, while commodity prices and emerging market currencies were under significant pressure following the depreciation of the Renminbi after the refinement to its central parity rate fixing mechanism announced in August. Higher financial market volatility is likely to stay given increased uncertainty in the timing and pace of US interest rate normalisation and increasing downside risks in the global economy, particularly in the emerging market economies.

Due to the turbulence in financial markets as mentioned above, the Group recorded a smaller revenue of approximately HK\$150 million (2014: approximately HK\$555 million) and a smaller profit under the securities trading segment of approximately HK\$26 million during the Year (2014: approximately HK\$674 million) in the securities trading segment.

During the Year, the Group made investments in financial services industry in China by subscribing H shares issued by reputable financial corporations in China newly listed in Hong Kong. The Group subscribed H shares issued by China Huarong Asset Management Company Limited at the aggregate subscription price of HK\$15.6 million and subscribed H Shares offered by Hengtai Securities Co., Ltd at the aggregate subscription price of approximately US\$20 million in cash during the Year.

The Hong Kong property market was rather active in early 2015, but came under pressure in the latter part of the year, with both trading volume and flat prices coming down in the fourth quarter. The Group's property investment segment for a relatively small proportion of the Group's business. During the Year, the Group sold all of its assets under the property investment segment in view of the looming interest rate hike, resulting in a loss of approximately HK\$0.7 million (2014: a profit of approximately HK\$0.6 million). After disposal of all assets, the property investment segment discontinued its operations. We do not intend to purchase property in the near future.

In order to release financial resources to finance acquisition of investments during the Year and Quarter 1 of 2016, the Group has scaled down the its money lending business since Quarter 4 of 2015. This business segment generated an interest income of approximately HK\$16 million (2014: approximately HK\$13 million) and a loss (after expenses) of approximately HK\$6 million during the Year (2014: profit of approximately HK\$12 million).

For the investment holding segment, the Group disposed of its shareholding in Mission Capital Holdings Limited and its shareholding in a hotel project in Bhutan during the Year so as to release financial resources for acquiring other investments in the financial services industry. During the Year, the Group joined forces with business associates to consolidate the shareholdings in Freeman Corporation Limited ("FCL") and eventually accepted the FCL's share buy-back offer at a premium. After taking these steps (among others), the investment holding segment recorded a net gain of approximately HK\$259 million for the Year (2014: approximately HK\$79 million) after netting off the losses relating to the Group's long-term investment in unlisted associates in the sum of approximately HK\$327 million for the Year (2014: approximately HK\$142 million).



During the Year, the Group entered into three agreements to acquire companies carrying on the business of securities dealing, securities advising, commodities broking, provision of asset management services, securities margin financing and provision of investment advice, corporate finance advisory services and bullion trading services. Two agreements were completed in February 2016. After completion, the Company owned these companies with licenses to carry on the business of securities dealing, commodities broking, provision of securities margin financing and provision of investment advice, corporate finance advisory services and bullion trading services in Hong Kong. However, the remaining agreement to acquire the company with licenses to carry on the business of advising on securities and asset management in Hong Kong is still pending the approval from The Securities and Futures Commission.

Moreover, the Company entered into an agreement and a supplemental agreement with certain investors to form a foreign-funded joint stock company limited in Shanghai (“Joint Stock Company”, namely Shengang Securities Company Limited), which will be principally engaged in securities related businesses with full licenses. Approval has recently been granted by the China Securities Regulatory Commission and the Ministry of Commerce. The Company’s shareholding in the Joint Stock Company is 15% and the capital contribution in the sum of RMB525 million will be made by the Group shortly. The formation of the Joint Stock Company (expected to be completed in the near future) will be a milestone for the Group to participate in the financial services industry in China.

Looking ahead, 2016 is likely to be another challenging year. The U.S. has started tightening its monetary policy but additional stimulus policies from the central banks in Europe, Japan and China will underpin the global economy. However, the concerns about economic growth in China and renminbi devaluation, the pace and magnitude of U.S. rate hikes, movement of US dollar and commodity prices and rising deflationary pressure in Europe and Japan are the biggest source of uncertainty. The launch of Shenzhen-Hong Kong Stock Connect will be a major driver supporting the stock market in 2016. Under such macroeconomic environment, the Board envisages challenges as well as opportunities in managing the Group’s investments in the coming year.

On the property front, the Hong Kong property market has entered into a consolidation phase amid a slowdown in the economy, rising interest rates and increasing land supply. We expect residential prices to decline in 2016 but a deep correction is unlikely on the back of growing household income and low unemployment rate. The Group has discontinued operations of the property investment segment during the Year but may re-consider making investment in this segment when attractive opportunities arise in the future.

For the investment holding segment, the Group in 2016 intends to explore further business opportunities probably through asset acquisitions and at the same time may rationalize long-term investments with lower-than-expected financial performance.

While the Group has scaled down its money lending business, the securities service businesses newly acquired by the Group at a total consideration over HK\$400 million are expected to turn the Group's business segment of provision of financial services as a significant contributor to the Group's revenue and profitability in 2016.

## **FINANCIAL REVIEW**

### **Liquidity and Capital Resources**

As at 31 December 2015, the Group had a secured bank loan of approximately HK\$296 million (2014: approximately HK\$4 million) carrying interest rates of 1.5% to 3.25% above the bank's cost of funds for relevant currency per annum (2014: floating interest rates calculated by reference to the Hong Kong Inter-bank Offer Rate) and containing a repayment on demand clause, which is repayable within one year (2014: over five years) according to the repayment schedule of the loan facility and denominated in Hong Kong dollars and US dollars.

As most of the Group's transactions and bank balances were denominated in Hong Kong dollars and US dollars and a transaction in Euro being hedged by a back-to-back transactions, the Group's exposure to foreign exchange rate was minimal. The Group did not have any financial instruments used for hedging purpose.

At the end of the reporting period, there are two outstanding unsecured bonds with the principal amount of HK\$10 million each issued in 2014 to two third-party investors separately. The bonds are interest-bearing at 5% per annum payable annually in arrears and repayable in 2021.

During the Year, the Company issued 1,250,000,000 new shares at the subscription price of HK\$0.12 each raising equity capital in the sum of HK\$150 million. As at 31 December 2015, the Group's total equity amounted to approximately HK\$4,055 million (including non-controlling interests of approximately HK\$1,029 million), an increase of 58.1% as compared with approximately HK\$2,566 million as at 31 December 2014. The Group had net current assets of approximately HK\$3,210 million including bank balances and cash of approximately HK\$445 million as compared to approximately HK\$989 million including bank balances and cash of approximately HK\$176 million as at 31 December 2014. As at 31 December 2015, the Company had a bank loan of approximately HK\$296 million (at 31 December 2014: approximately HK\$4 million) carrying interest rates of 1.5% to 3.25% above the bank's cost of funds for relevant currency per annum (2014: floating interest rates by reference to the Hong Kong Inter-bank Offer Rate) and containing a repayment on demand clause. The Group maintained a low gearing ratio as computed on the basis of net borrowings to total equity and with a current ratio of 11 times (as at 31 December 2014: 74 times).

#### **PLEDGE OF ASSETS**

As at 31 December 2015, the Group's financial assets at fair value through profit or loss and bank balances (2014: financial assets at fair value through profit or loss and certain available-for-sale financial assets) with an aggregate carrying amount of approximately HK\$2,898 million (2014: approximately HK\$384 million) were pledged to certain financial institutions and securities brokers to secure certain margin facilities and loan facilities amounted to approximately HK\$329 million and HK\$500 million respectively (2014: approximately HK\$166 million and HK\$5 million respectively ) granted to the Group of which approximately HK\$296 million (2014: none) was utilised at the end of the Year.

As at 31 December 2015, the Group did not have any investment properties pledged to secure bank loan facility (2014: HK\$5 million).

#### **CAPITAL EXPENDITURE COMMITMENTS**

As at 31 December 2015, the Group did not have capital expenditure commitments contracted but not provided for (2014: approximately HK\$65 million).

## **EMPLOYEES**

As at 31 December 2015, the Group employed 14 (2014: 23) employees excluding directors. The Group endeavors to maintain its employees' remuneration in line with the market trend and to remain competitive. Employees' remuneration is determined in accordance with the Group's remuneration and bonus policies based on their performance. The Group also provides comprehensive benefit packages and career development opportunities for its employees, including retirement benefits, medical benefits and internal and external training programmes, tailored in accordance with individual needs.

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

## **REVIEW OF FINAL RESULTS**

The Audit Committee of the Company has reviewed with the auditor and the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the final results of the Group for the Year.

## **CORPORATE GOVERNANCE**

The Company recognizes that good corporate governance is vital to the success of the Group and sustains development of the Group. The Company aims at complying with, where appropriate, all code provisions set out in Appendix 14 Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The Company's corporate governance practices are based on the principles and the code provisions ("Code Provisions") as set out in the CG Code of the Listing Rules. The Company has, throughout the year ended 31 December 2015 and up to the date of publication of the annual report, applied and complied with most of the Code Provisions save for deviation from the code provision A.2.1, details of which are explained below.

### **Code provision A.2.1**

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. From 1 August 2015, Mr. Zhang Yongdong (“Mr. Zhang”) has been appointed as the chairman and chief executive officer of the Company, responsible for the overall management of the Group. The Board consider that vesting the roles of both chairman of the Board and chief executive officer in the same person facilitates the execution of the business strategies of the Group, decision-making and maximises the effectiveness of the Group’s operations. The Board also believes that the presence of three independent non-executive Directors provides added independence to the Board. Therefore, the Board considers that it is in the best interest of the Group to have Mr. Zhang taking up both roles for continuous effective management and business development of the Group.

### **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”) contained in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Following specific enquiry by the Company, all directors confirmed that they have complied with the Model Code throughout the Year.

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

This announcement is published on the Company’s website at <http://www.irasia.com/listedco/hk/mason> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The 2015 annual report of the Company will be despatched to the shareholders of the Company who have selected to have a printed copy and available on the above websites in due course.

## APPRECIATION

I would like to take this opportunity to thank Dr. Chuang Yueheng, Henry and Mr. Yau Yan Ming, Raymond, for their contributions to the Board until their resignation in August 2015 and to appreciate Mr. Frank H. Miu for his contributions to the Board until his resignation in October 2015.

I would like to express its sincere gratitude to our business partners, employees, and shareholders for their continuous support.

By order of the Board  
**Mason Financial Holdings Limited**  
**Zhang Yongdong**  
*Chairman*

Hong Kong, 21 March 2016

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. Zhang Yongdong  
Mr. Cheung Wing Ping  
Ms. Cheung Ka Yee  
Mr. Man Wai Chuen

*Non-executive Director:*

Dr. Xia Xiaoning

*Independent Non-executive Directors:*

Mr. Lam Yiu Kin  
Dr. Antonio Maria Santos  
Mr. Yuen Kwok On