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POWERWELL PACIFIC HOLDINGS LIMITED
宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 8265)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Powerwell Pacific Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of directors (the "Board") of the Company is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 (the "Year") together with the comparative figures for the corresponding year in 2014 (the "Previous Year") as follows:

FINANCIAL HIGHLIGHTS

- The Group's revenue from continuing operations amounted to approximately HK$222.6 million for the Year which represented an increase of approximately HK$20.1 million or 9.9% as compared to approximately HK$202.5 million, which included revenue of HK$158.1 million and HK$44.4 million from continuing and discontinued operations respectively for the Previous Year.
- The (loss)/profit attributable to owners of the Company was approximately HK$(1.7) million for the Year (2014: HK$6.8 million).
- Basic (loss)/earnings per share for the Year amounted to HK(0.67) cents (2014: HK4.21 cents from continuing and discontinued operations).
- The Directors do not recommend the payment of a final dividend for the Year (2014: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Continuing operations			
Revenue	*3*	**222,647**	158,128
Cost of sales		**(136,103)**	(119,028)
Gross profit		**86,544**	39,100
Other income	*4*	**284**	174
Bargain purchase gain recognised in a business combination		**4,084**	–
Selling and distribution costs		**(5,008)**	(959)
Administrative expenses		**(51,442)**	(28,824)
Loss arising in fair value change in contingent consideration	*12*	**(12,154)**	–
Other operating expenses		**(633)**	–
Finance costs	*7*	**(811)**	–
Profit before income tax	*8*	**20,864**	9,491
Income tax expense	*9*	**(11,798)**	(2,974)
Profit for the year from continuing operations		**9,066**	6,517

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Discontinued operation			
Profit for the year from discontinued operation	*5*	**–**	282
Profit for the year		**9,066**	6,799
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations:			
– Exchange differences arising during the year		**(2,264)**	184
– Reclassification adjustments relating to foreign operations disposed of during the year		**–**	(761)
Other comprehensive loss for the year		**(2,264)**	(577)
Total comprehensive income for the year		**6,802**	6,222
(Loss)/profit for the year attributable to:			
Owners of the Company		**(1,664)**	6,799
Non-controlling interests		**10,730**	–
		9,066	6,799
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(3,006)**	6,222
Non-controlling interests		**9,808**	–
		6,802	6,222
			(restated)
(Loss)/earnings per share from continuing and discontinued operations			
– Basic and diluted	*11*	**HK(0.67) cents**	HK4.21 cents
(Loss)/earnings per share from continuing operations			
– Basic and diluted	*11*	**HK(0.67) cents**	HK4.04 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**6,351**	2,869
Goodwill		**–**	–
Other intangible assets		**–**	–
Contingent consideration receivables		**2,982**	–
Deposit for acquisition of a subsidiary		**–**	4,800
Available-for-sale financial assets		**9,000**	–
		18,333	7,669
Current assets			
Inventories		**16,480**	12,983
Contingent consideration receivables	*12*	**5,400**	–
Trade receivables	*13*	**23,719**	5,201
Deposits, prepayments and other receivables		**14,831**	3,432
Cash and cash equivalents		**145,700**	36,707
		206,130	58,323
Current liabilities			
Trade and other payables	*14*	**32,325**	30,228
Amount due to a holding company		**5,438**	4,744
Amount due to non-controlling interests		**225**	–
Secured loan	*15*	**15,000**	–
Tax payables		**9,274**	2,476
Bank overdraft		**–**	4,367
Total liabilities		**62,262**	41,815
Net current assets		**143,868**	16,508
Total assets less current liabilities		**162,201**	24,177
Net assets		**162,201**	24,177
Capital and reserves			
Share capital		**30,670**	15,000
Reserves		**111,885**	9,177
Equity attributable to owners of the Company		**142,555**	24,177
Non-controlling interests		**19,646**	–
Total equity		**162,201**	24,177

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Equity attributable to owners of the Company									
	Share capital	**Share premium**	**Capital reserve**	**Merger reserve**	**Share-based payment reserve**	**Translation reserve**	**Retained earnings/ (accumulated loss)**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note a)	*(Note b)*	*(Note c)*	*(Note d)*	*(Note e)*				
At 1 January 2014	15,000	6,937	155	1,033	–	577	30,253	53,955	–	53,955
Profit for the year	–	–	–	–	–	–	6,799	6,799	–	6,799
Other comprehensive income:										
Exchange differences arising during the year	–	–	–	–	–	184	–	184	–	184
Reclassification adjustments relating to foreign operations disposed of during the year	–	–	–	–	–	(761)	–	(761)	–	(761)
Total comprehensive income for the year	–	–	–	–	–	(577)	6,799	6,222	–	6,222
Special dividend *(note 10)*	–	–	–	–	–	–	(36,000)	(36,000)	–	(36,000)
At 31 December 2014 and at 1 January 2015	15,000	6,937	155	1,033	–	–	1,052	24,177	–	24,177
(Loss)/profit for the year	–	–	–	–	–	–	(1,664)	(1,664)	10,730	9,066
Other comprehensive income:										
Exchange differences arising during the year	–	–	–	–	–	(1,342)	–	(1,342)	(922)	(2,264)
Total comprehensive (loss)/ income for the year	–	–	–	–	–	(1,342)	(1,664)	(3,006)	9,808	6,802
Issuance of new shares upon open offer	8,800	52,800	–	–	–	–	–	61,600	–	61,600
Issuance of consideration shares	2,600	20,540	–	–	–	–	–	23,140	–	23,140
Placement of new shares	3,520	22,000	–	–		–	–	25,520	–	25,520
Exercise of share options	750	10,590	–	–	(2,565)	–	–	8,775	–	8,775
Non-controlling interests arising from acquisition of subsidiaries	–	–	–	–	–	–	–	–	9,838	9,838
Recognition of equity-settled share-based payments	–	–	–	–	5,130	–	–	5,130	–	5,130
Share issuing expenses	–	(2,781)	–	–	–	–	–	(2,781)	–	(2,781)
At 31 December 2015	**30,670**	**110,086**	**155**	**1,033**	**2,565**	**(1,342)**	**(612)**	**142,555**	**19,646**	**162,201**

NOTES

1. GENERAL INFORMATION

Powerwell Pacific Holdings Limited (the "Company") was incorporated in Bermuda on 14 June 2010 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's principal place of business is located at Units 610-611, 6/F, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The Company's shares were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 January 2011.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (collectively referred to as the "Group") are the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products (the "Sourcing Business"), as well as retail of luxury brand silverware and silver utensils in the People's Republic of China ("PRC") ("PRC Silverware Business").

The Group's financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Group's financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) ("new CO") regarding preparation of financial statements 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 financial statement 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 financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Company Ordinance or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning from 1 January 2015. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

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

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

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

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

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

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

HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 9	Financial Instrument[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]

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

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

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

4 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 ***Financial Instruments***

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

Key requirement of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in the fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated at fair value through profit or loss is presented in profit or loss.

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

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

The directors anticipate that the application of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. However, in the opinion of the directors, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract(s)

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

The directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors do not anticipated that the application of other new and revised HKFRSs will have material impact on these financial statements.

3. REVENUE

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Sales of goods	**158,453**	157,603
Freight income	**427**	525
Retail of silverware	**63,767**	–
	222,647	158,128

	For the year ended 31 December 2015	For the period from 1 January to respective date of disposal of subsidiaries
	HK$'000	*HK$'000*
Discontinued operation		
Sales of goods	**–**	44,355

4. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**244**	174
Exchange gain	**28**	–
Sundry income	**12**	–
	284	174

5. DISPOSAL OF INTEREST IN SUBSIDIARIES AND DISCONTINUED OPERATION

On 27 June 2014, the Company entered into a conditional disposal agreement with a company, which is a wholly owned subsidiary of Data Champion Limited, to dispose of its entire equity interests in two subsidiaries, Goldnet Holdings Group Limited ("Goldnet (HK)") and Goldnet Holdings Group Limited ("Goldnet (BVI)") (collectively referred to as the "Goldnet Group"), and the benefits of all loans of approximately HK$43,462,000 advanced by the Company to the Goldnet Group (the "Loans") for a cash consideration of HK$23,000,000 (the "Disposal of Goldnet Group"). Goldnet (HK) was incorporated in Hong Kong and is principally engaged in investment holding. The major asset of Goldnet (HK) is 100% equity interest in 深圳市天海霸鐘錶有限公司 (Shenzhen Tianhaiba Watches Company Limited*) ("Tianhaiba") which was established in the PRC and carries out the PRC Watch Business. Goldnet (BVI) was incorporated in the British Virgin Islands ("BVI") and is principally engaged in investment holding. The Disposal of Goldnet Group was completed on 26 August 2014 and a gain of approximately HK$2,475,000 arising on the Disposal of Goldnet Group was realised which is included in "Profit for the year from discontinued operation" in the consolidated statement of profit or loss and other comprehensive income for the year. Upon completion of the Disposal of Goldnet Group, Goldnet Group ceased to be subsidiaries of the Group.

* *for identification purpose only*

The net liabilities of Goldnet Group at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	9,021
Goodwill	–
Intangible assets	5,747
Inventories	38,663
Trade receivables	13,214
Other receivables, prepayment and deposits	1,805
Cash and cash equivalents	605
Trade and other payables	(47,769)
Amount due to immediate holding company	(43,462)
Net liabilities disposed of	(22,176)
Release of exchange reserve upon disposal of subsidiaries	(761)
	(22,937)
Loans transfer	43,462
Gain on disposal of subsidiaries	2,475
Total consideration, satisfied by cash	23,000

	HK$'000
Net cash inflow arising on disposal:	
Cash received	23,000
Cash and cash equivalents disposed of	(605)
Net cash inflow on disposal	22,395

Profit and net cash flows from the PRC Watch Business presented as discontinued operation for the period from 1 January 2014 up to the respective date of disposal of subsidiaries, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	For the year ended 31 December 2015 *HK$'000*	For the period from 1 January to respective date of disposal of subsidiaries *HK$'000*
Revenue *(note 5)*	–	44,355
Cost of sales	–	(29,021)
Gross profit	–	15,334
Other income	–	16
Selling and distribution costs	–	(9,252)
Administrative expenses	–	(8,288)
Loss before income tax	–	(2,190)
Income tax expense	–	(3)
Loss for the period	–	(2,193)
Gain on disposal of subsidiaries	–	2,475
Profit for the period from discontinued operation	–	282
Cash inflow from operating activities	–	1,810
Cash outflow from investing activities	–	(6,306)
Cash inflow from financing activities	–	3,750
Net cash outflow	–	(746)

6. SEGMENT INFORMATION

The management reviews the Group's internal reporting for performance assessment between segments and resource allocation. The management has determined the operating segments based on business lines (products and services) and geographical areas. The management has determined that the Group is organised into two main operating segments from continuing operations: (i) sourcing business; and (ii) PRC silverware business; and one operating segment from discontinued operation — PRC Watch Business which has been disposed during the year ended 31 December 2014. The management measures the performance of the segments based on their respective segment results.

The Group is principally engaged in the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products which is identified as reportable segment as the "Sourcing Business". In respect of Sourcing Business, the Group provides customers with a wide range of sourcing management solutions including product design and product development, raw materials and components sourcing and production outsourcing; and procurement management solutions including quality assurance and control, logistics and delivery handling services. The products are mainly exported to overseas countries. In addition, the Group has established its own sales network for the retail of luxury brand silverware and silver utensils in the PRC. This line of business is identified as another reportable segment as the "PRC Silverware Business".

Segment revenue and segment results

Information regarding the Group's reportable operating segments including the reconciliations to profit before income tax are as follows.

	Continuing operations		
	Sourcing Business	**PRC Silverware Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Year ended 31 December 2015			
Reportable segment revenue *(note (a))*	**158,880**	**63,767**	**222,647**
Reportable segment profit	**16,320**	**29,699**	**46,019**
Bank interest income			**244**
Loss arising in fair value change in contingent consideration			**(12,154)**
Corporate expenses			**(13,245)**
Profit before income tax			**20,864**
Adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") *(note (c))*	**16,811**	**30,995**	**47,806**

	Continuing operation Sourcing Business *HK$'000*	Discontinued operation PRC Watch Business *HK$'000*	Total *HK$'000*
Year ended 31 December 2014			
Reportable segment revenue *(note (a))*	158,128	44,355	202,483
Reportable segment profit	21,032	282	21,314
Bank interest income			177
Corporate expenses			(11,715)
Profit before income tax			9,776
Adjusted EBITDA *(note (c))*	21,470	1,361	22,831

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit earned by each segment without allocation of bank interest income, loss arising in fair value change in contingent consideration and central administrative expenses including directors' emoluments and finance costs under the heading of "corporate expenses". This is the measure reported to management for the purposes of performance assessment between segment and resource allocation.

Segment assets and liabilities

Information regarding the Group's reportable segments assets and liabilities are as follows:

	Continuing operations		Discontinued operation	
	Sourcing Business	PRC Silverware Business	PRC Watch Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2015				
Reportable segment assets	**68,308**	**86,280**	**–**	**154,588**
Unallocated assets				**69,875**
Total assets				**224,463**
Reportable segment liabilities	**27,207**	**4,442**	**–**	**31,649**
Unallocated liabilities				**30,613**
Total liabilities				**62,262**
At 31 December 2014				
Reportable segment assets	59,411	–	–	59,411
Unallocated assets				6,581
Total assets				65,992
Reportable segment liabilities	34,728	–	–	34,728
Unallocated liabilities				7,087
Total liabilities				41,815

For the purpose of monitoring performance assessment between segments and resource allocation, all assets and liabilities are allocated to the reportable segments other than contingent consideration receivables, available-for-sale financial assets, amount due to a holding company, secured loan, tax payables and bank overdraft.

Other segment information

	Continuing operations		Discontinued operation		
	Sourcing Business	**PRC Silverware Business**	**PRC Watch Business**	**Unallocated**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2015					
Bargain purchase gain recognised in a business combination	**–**	**4,084**	**–**	**–**	**4,084**
Loss arising in fair value change in contingent consideration	**–**	**–**	**–**	**12,154**	**12,154**
Bank interest income	**–**	**–**	**–**	**244**	**244**
Finance costs	**–**	**–**	**–**	**811**	**811**
Impairment loss recognised in respect of trade receivables	**633**	**–**	**–**	**–**	**633**
Depreciation of property, plant and equipment	**493**	**1,296**	**–**	**347**	**2,136**
Additions to non-current assets *(note (b))*	**463**	**2,184**	**–**	**15**	**2,662**
Year ended 31 December 2014					
Bank interest income	–	–	–	177	177
Depreciation of property, plant and equipment	438	–	1,079	60	1,577
Loss on disposal of property, plant and equipment	–	–	38	–	38
Additions to non-current assets *(note (b))*	855	–	6,301	6,523	13,679

Notes:

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

(b) Additions to non-current assets represents additions to property, plant and equipment, other intangible assets and deposit paid for acquisition of a subsidiary.

(c) Adjusted EBITDA is also a measurement basis regularly reviewed by the directors in performance assessment between segments and making decision for resources allocation. This measurement basis is consistent with that of the segment results except that finance costs, depreciation and amortisation charge and impairment loss recognised in respect of non-financial assets are not included in the Adjusted EBITDA.

Other than above, the executive directors regularly review revenue analysis by products, including watches, display and packaging products, costume jewelries, and retail of luxury brand silverware and silver utensils which are presented below:

	Continuing operations		Discontinued operation		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Sales of						
– watches	**122,391**	123,106	**–**	44,355	**122,391**	167,461
– display and packaging products	**26,666**	23,389	**–**	–	**26,666**	23,389
– costume jewelries	**9,823**	11,633	**–**	–	**9,823**	11,633
Retail of luxury brand silverware and silver utensils	**63,767**	–	**–**	–	**63,767**	–
	222,647	158,128	**–**	44,355	**222,647**	202,483

Geographical information

The Group's operations are mainly located in Hong Kong (place of domicile) and the PRC. The Group's revenue by geographical locations is determined based on shipment destination instructed by customers. The Group's non-current assets by geographical locations are determined based on physical location of the assets or location of operations in case of intangible assets.

Analysis of the Group's revenue is as follows:

	Revenue from external customers					
	Continuing operations		Discontinued operation		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**32,985**	19,019	**–**	–	**32,985**	19,019
The PRC, excluding Hong Kong	**63,777**	57	**–**	36,879	**63,777**	36,936
United State of America	**61,707**	60,657	**–**	–	**61,707**	60,657
Europe						
– Germany	**57,269**	59,532	**–**	–	**57,269**	59,532
– Denmark	**–**	–	**–**	7,259	**–**	7,259
– United Kingdom	**16**	2,568	**–**	–	**16**	2,568
– France	**281**	2,839	**–**	–	**281**	2,839
– Others	**1,194**	2,078	**–**	124	**1,194**	2,202
Asia	**3,828**	5,822	**–**	93	**3,828**	5,915
Others	**1,590**	5,556	**–**	–	**1,590**	5,556
Total	**222,647**	158,128	**–**	44,355	**222,647**	202,483

The following is an analysis of the carrying amount of non-current assets analysed by the geographical area in which the assets are located:

	Non-current assets	
	2015	2014
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**13,744**	2,176
The PRC, excluding Hong Kong	**4,589**	5,493
	18,333	7,669

Information about major customers

Included in revenue arising from Sourcing Business of HK$125,064,000 (2014: HK$125,748,000) are revenue arose from the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for the year ended 31 December 2015 (2014: nil).

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest on secured loan repayable within one year	**811**	–

8. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Auditors' remuneration		
Audit services	**475**	560
Non-audit services	**338**	565
	813	1,125
Impairment loss recognised in respect of trade receivables	**633**	–
Cost of inventories sold	**135,256**	118,808
Depreciation of property, plant and equipment	**2,136**	438
Net exchange (gain)/loss	**(28)**	696
Operating lease charges in respective of land and building	**5,849**	1,581
Employee benefit expenses (including directors' remuneration)		
Salaries, allowances and benefits in kind	**28,893**	16,522
Share-based payment expenses	**5,130**	–
Retirement benefit scheme contributions	**1,230**	517
	35,253	17,039

9. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
– Hong Kong Profits Tax	**2,856**	3,102
– PRC Enterprise Income Tax	**9,004**	–
	11,860	3,102
Over provision in prior years		
– Hong Kong Profits Tax	**(62)**	(128)
	11,798	2,974

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

No provision for PRC Enterprise Income Tax has been made for the period from 1 January 2014 to respective date of the disposal of subsidiaries as the Group have no assessable profits arising in PRC.

10. DIVIDENDS

Dividends proposed or declared by the Company during the year and in prior year are as follows:

	2015	2014
	HK$'000	*HK$'000*
Special dividend – HK$ nil (2014: HK$0.24) per Ordinary share	**–**	36,000

The dividends paid during the year ended 31 December 2014 amounting to HK$36,000,000 represent a special dividend of HK$0.24 per ordinary share, which were paid in August 2014 and mainly financed by the net proceeds generated from the Disposal of Goldnet Group (note 5) and general working capital.

11. (LOSS)/EARNINGS PER SHARE

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

From continuing and discontinued operations

	2015	2014
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share ((loss)/earnings for the year attributable to owners of the Company)	**(1,664)**	6,799

	2015	2014
	'000	*'000*
		(restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**246,872**	161,492

The weighted average number of ordinary shares for the year ended 31 December 2014 for the purposes of calculating basic and diluted earnings per share have been adjusted for the issuance of new shares upon open offer which took place on 20 May 2015.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation for the year ended 31 December 2015, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

From continuing operations

	2015	2014
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share ((loss)/earnings for the year attributable to owners of the Company)	**(1,664)**	6,517

The denominators used are same as those described above for calculation of both basic and diluted (loss)/earnings per share from continuing operations in both years.

From discontinued operation

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share (earnings for the year attributable to owners of the Company)	**–**	282

The denominators used are same as those described above for calculation of both basic and diluted earnings per share from discontinued operation in both years.

12. CONTINGENT CONSIDERATION RECEIVABLES

The balance represents the contingent consideration receivables in relation to the acquisition of Core Kingdom Limited and its subsidiaries. Contingent consideration receivables have been designated at financial assets at fair value through profit or loss upon initial recognition and measure at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivables are as follow:

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**–**	–
Arising in acquisition of subsidiaries	**20,536**	–
Loss arising in fair value change	**(12,154)**	–
At 31 December	**8,382**	–

Note:

(i) Shortfall payment in respect of profit guarantee

Pursuant to the sale and purchase agreement ("SPA") entered in relation to the acquisition, the vendor has guaranteed that the audited profit after tax of 浙江通銀貴金屬經營有限公司 (Zhejiang Tong Yin Precious Metal Operation Company Limited*) ("Tong Yin") for the three financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 shall not be less than RMB20,000,000, RMB24,000,000 and RMB30,000,000 (each the "Profit Guarantee") respectively.

In case the Profit Guarantee is not fulfilled for the corresponding year, the vendor shall pay 51% of the shortfall ("Shortfall") to the Company within seven days of the delivery of the audited financial statements, and for the avoidance of doubt, if Tong Yin sustained loss for such financial year, 51% of the amount of such loss shall be included as part of the Shortfall.

The Vendor expressly agrees that 10,000,000 of the consideration shares shall be deposited into a securities account in the name of the vendor but all trading of such account can only be operated by the Company singly and no amount shall be withdrawn from such account except with joint instruction of the vendor and the Company, until the obligation and liabilities of the vendor have been fully discharges and satisfied.

The fair value of Profit Guarantee as at date of completion, amount to approximately HK$20,536,000.

* *for identification purpose only*

During the year, the audited net profit of Tong Yin and its subsidiary has met the Profit Guarantee, as a result, the vendor is not required to make the shortfall payment to the Company in accordance with the terms and condition stated in the SPA.

During the period from the date of acquisition to 31 December 2015, a fair value loss of approximately HK$12,154,000 was recognised in the profit or loss for the contingent consideration receivables.

At the end of the reporting period, contingent consideration receivables analysed into non-current assets and current assets as follows:

	2015	2014
	HK$'000	*HK$'000*
Analysed for reporting purpose as:		
Non-current assets	**2,982**	–
Current assets	**5,400**	–
At 31 December	**8,382**	–

13. TRADE RECEIVABLES

The Group assesses the credit status and imposes credit limits for the customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

The Group normally allows credit period of 1 to 60 days (2014: 30 to 60 days) to its major customers. Credit period is normally not granted to other customers.

The following is an aging analysis of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**11,958**	2,294
31-60 days	**11,542**	2,381
61-90 days	**–**	526
Over 90 days	**219**	–
	23,719	5,201

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

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**–**	–
Impairment loss recognised	**633**	–
Written-off	**(633)**	–
At 31 December	**–**	–

Included in the allowance for doubtful debts are individually impaired trade receivable with an aggregate balance of approximately HK$633,000 (2014: nil) which have been placed under liquidation due to financial difficulties. The directors of the Company have taken recovery actions to collect the outstanding balance but all attempts were in vain, hence impairment was made to this individual receivable.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The following is an aging analysis of trade receivables which are past due but not impaired:

	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**17,454**	3,539
1-30 days past due	**6,043**	1,241
31-60 days past due	**2**	421
61-90 days past due	**21**	–
Over 90 days past due	**199**	–
	23,719	5,201

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

14. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**24,334**	22,585
Other payables and accruals	**7,397**	3,454
Receipt in advance	**249**	–
Deposits received	**345**	4,189
	32,325	30,228

The following is an aging analysis of trade payables, based on the invoice date:

	The Group	
	2015	2014
	HK$'000	*HK$'000*
0-30 days	**11,713**	6,521
31-60 days	**6,070**	6,241
61-90 days	**5,864**	5,927
Over 90 days	**687**	3,896
	24,334	22,585

15. SECURED LOAN

	2015	2014
	HK$'000	*HK$'000*
Secured loan repayable within one year	**15,000**	–

The secured loan is bears interest at 1% per annum above the Hong Kong dollars prime lending rate published by The Hong Kong and Shanghai Banking Corporation Limited and is repayable together with interest not later than 12 months from the drawdown date. The loan is fully secured by the share capital of Powerwell Pacific Limited, a wholly owned subsidiary of the Company incorporated in the BVI. Subject to the fulfilment of certain conditions, the Company shall have the right to extend the repayment date to another 12 months from the original repayment date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Silverware and Silver Utensils Business

The Group completed the acquisition of 51% indirect equity interest in 浙江通銀貴金屬經營有限公司 ("Tong Yin") in February 2015. Tong Yin is principally engaged in retail of luxury brand silverware and silver utensils in the PRC. Silverware Business is the first-time contributed to the Group's revenue, representing HK$63.8 million or 28.7% of the Group's total revenue during the Year. The profit of this segment for the year amounted to HK$29.7 million.

During the year, Tong Yin opened five new Monopoly Shops in Zhejiang Province. Our retails revenue recorded a stable growth during the year as forecasted.

Sourcing Business

The later part of 2015 is a difficult period for the global retail business, the global turmoil has significantly affected the retail markets in US and Europe and hence our sourcing business.

We are seeing a reduction in orders started from the second half of the Year in our watch business. However, the overall turnover for the Year remains in par with the Previous Year. We strove hard to maintain the bottom line for the Year in our watch business.

For the display and packaging business, shipping orders have since received and was partially executed in the last quarter of the Year as originally planned, the turnover of our display and packaging business was improved and the loss has been minimized.

Affected by the slow moving of our branded customer in costume jewelry business, we recorded reduction in turnover for the Year compared to the Previous Year. As a result, loss is recorded for the Year.

We worked hard to improve cost and maintain the profit margin of our sourcing business. We managed to achieve a same level of turnover as compared to the Previous Year.

PROSPECTS

Silverware and Silver Utensils Business

The acquisition of Tong Yin earmarks an important strategic step of the Group to diversify its business. The Group will step up expansion activities to increase the number of retail shops of Tong Yin at selected prime shopping and tourist locations in Zhejiang Province, the PRC aiming to strengthen this new business's performance and contributions to the Group steadily.

Amidst the uncertainties underlining the current market environment, we remain highly focused on the refinement of our product offerings and the development of e-commerce channel, including the sales of our products through online sales platforms.

With continual rising of the living standard of the middle class in the PRC and the quality and competing edge of the unique products provided by Tong Yin in the market, the Directors are optimistic about the long term prospects of Tong Yin's business.

Sourcing Business

The recent happening in the global economy, political uncertainty in Eastern Europe and the Middle East and the shrinking of oil and commodity prices has made the retail markets extremely challenging in the coming year.

We will continue to maintain tight cost control in Sourcing Business and tight quality assurance of our product to better our quality and development to provide an edge on our products as to maintain competitive.

FINANCIAL REVIEW

Revenue

The Group reported a total revenue of approximately HK$222.6 million (2014: approximately HK$202.5 million) for the Year, a year-on-year increase of approximately HK$20.1 million or 9.9% as compared with the Previous Year. The increase in the Group's revenue was attributable to the contribution from the PRC Silverware Business acquired by the Group during the Year.

During the year, Sourcing Business continued to be the core business of the Group, which generated revenue of approximately HK$158.9 million to the Group, representing 71.4% of the Group's total revenue. Same as the Previous Year, sales to U.S. and Germany customers represented the major source of revenue of the Sourcing Business. As compared with the Previous Year, revenue from U.S. customers increased by HK$1.0 million or 1.6% while revenue from Germany customers decreased by HK$2.2 million or 3.7%.

On the other hand, the PRC Silverware Business introduced during the Year had generated revenue of approximately HK$63.8 million, representing 28.7% of the Group's total revenue. As a result, the revenue from PRC region jumped by HK$26.9 million or 72.9%.

Sourcing of watches continued to generate the largest revenue to the Group, amounting approximately HK$122.4 (2014: HK$123.1 million), representing a decrease of approximately HK$0.7 million or 0.6% as compared with the Previous Year.

Sourcing business of display and packaging products contributed revenue of approximately HK$26.7 million (2014: HK$23.4 million) for the Year, representing an increase of approximately HK$3.3 million or 14.1% as compared with the Previous Year.

Sourcing of costume jewelries recorded a sales of approximately HK$9.8 million (2014: HK$11.6 million) for the Year, a decline of approximately HK$1.8 million or 15.5% as compared with the Previous Year.

In 2014, the Group disposed of its loss-making PRC Watch Business, which had generated revenue of approximately HK$44.4 million and represented approximately 21.9% of the Group's total revenue of the Previous Year.

Cost of Sales and Gross Profit

The Group recorded a overall cost of sales of approximately HK$136.1 million (2014: HK$148.1) during the Year, which represented a decrease of approximately HK$12.0 million or 8.1% as compared with the Previous Year.

In respect of the Sourcing Business, it recorded cost of sales during the Year amounted to approximately HK$116.9 million (2014: HK$119.0 million), representing a decrease of HK$2.1 million or 1.8%.

On the other hand, the cost of sales in respect of the PRC Silverware Business amounted to approximately HK$19.2 million.

The overall gross profit of the Group increased from approximately HK$54.4 million in Previous Year to approximately HK$86.5 million in current Year, representing an increase of approximately HK$32.1 million or 59.0%. The gross profit of the Sourcing Business increased by approximately HK$2.9 million or 7.4% to approximately HK$42.0 million (2014: approximately HK$39.1 million). Gross profit margin of the Sourcing Business was approximately 26.4%, 1.7% higher than that of 24.7% in the Previous Year.

The PRC Silverware Business contributed gross profit of approximately HK$44.5 million (2014: HK$ Nil). The gross profit margin of the PRC Silverware Business was approximately 69.7% (2014: Nil).

Selling, distribution and Administrative Expenses

The overall selling and distribution expenses of the Group amounted to approximately HK$5.0 million, representing a reduction of HK$5.2 million or 51.0% as compared with that of HK$10.2 million in the Previous Year. The significant reduction was resulted from the disposal of PRC Watch Business during the Previous Year.

Selling and distribution expenses in respect of the Sourcing Business decreased from approximately HK$1.0 million to HK$0.8 million as Compared with the Previous Year, representing a HK$0.2 million or 20% decrease.

On the other hand, selling and distribution expenses in respect of the PRC Silverware Business amounted to HK$4.2 million during the Year.

Overall administrative and other operating expenses for the Year were approximately HK$52.1 million (2014: approximately HK$37.1 million), representing an increase of approximately HK$15.0 million or 40.4%. The increase in administrative and other operating expenses was mainly due to the professional fee incurred for the completion of various transactions.

Loss/profit

The Group's loss attributable to owners of the Company was approximately HK$1.7 million for the Year (2014: profit of approximately HK$6.8 million).

The Group's loss/profit comprised of the segment profit on Sourcing Business of approximately HK$16.3 million (2014: profit of approximately HK$21.0 million) and the segment profit on PRC Silverware Business of HK$29.7 million (2014: Nil). This segment is wholly owned by the Group throughout the Year and the Previous Year.

The aggregate of interest income, net corporate expenses and income tax expense amounted to approximately HK$37.0 million (2014: approximately HK$14.5 million) in total during the Year.

Liquidity, Financial Resources and Capital Structure

The Group generally finances its daily operations from internally generated cash flows. As at 31 December 2015, the Group had bank balances and cash of approximately HK$145.7 million (2014: approximately HK$36.7 million) and a bank overdraft of nil (2014: HK$4.4 million). The group did not have any bank borrowings, guarantee and banking facilities.

Taking into account cash and other current assets of approximately HK$206.1 million (2014: HK$58.3 million) as at 31 December 2015, the Group has sufficient financial resources to satisfy its working capital requirement and to achieve its business objectives.

Secured Loan

On 6 February 2015, the Company entered into a loan agreement with a third party in relation to a loan of HK$15 million obtained exclusively for the purpose of providing working capital and general funding to the Company and/or its subsidiaries. The loan is fully secured by the shares charge in respect of the entire issued share capital of Powerwell Pacific Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands. The loan bears interest at 1% per annum above the HKD prime lending rate published by The Hongkong and Shanghai Banking Corporation Limited and is repayable together with interest not later than 12 months from the drawdown date. On 6 February 2016, the Company signed a supplemental loan agreement to extend the repayment date to another 12 months from the original repayment date.

During the Year, the interest expense incurred on the secured loan amounted to HK$0.8 million (2014: HK$Nil).

Save as aforesaid, the Group did not have any charge on its assets.

Foreign Exchange Exposure

The Group's transactions are mainly denominated in United States dollars ("US$"), Hong Kong dollars and Renminbi ("RMB"). Therefore, the Group is exposed to foreign currency exchange risk. The Directors have positive attitude to regularly monitor the exposure to foreign exchange so as to reduce the foreign exchange rate risk to minimal.

Contingent Liabilities and Capital Commitment

As at 31 December 2015, the Group did not have any contingent liabilities or capital commitment (2014: the Company had commitment in relation to the acquisition of a subsidiary which is contracted but not provided for in the amount of HK$31,200,000).

Significant Investments held Material Acquisitions

On 8 December 2014, the Company entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with a third party in relation to the acquisition of the entire issued share capital in Core Kingdom Limited ("Core Kingdom") plus the shareholder's loan due by Core Kingdom. At the date of completion, Core Kingdom indirectly owned 51% equity interest in Tong Yin, a company engaged in the business of retail of luxury brand silverware and silver utensils in the PRC (the "Acquisition"). The consideration in the amount of HK$36,000,000 was satisfied by the allotment and issue, credited as fully paid, of 26,000,000 new shares with total value of HK$31,200,000 and a cash payment of HK$4,800,000 to the vendor. All conditions to the Sale and Purchase Agreement had been fulfilled and the transaction was completed on 27 February 2015. Further details of the Acquisition were set out in the announcements of the Company dated 9 December 2014 and 27 February 2015 respectively.

Proposed Acquisition of Sale Assets of a company

On 5 November 2015, the Company, 湖州信成電動汽車有限公司 (“the Purchaser”, an indirect wholly owned subsidiary of the Company), the vendors (the “Vendors”) and the guarantors entered into an acquisition agreement (the “Acquisition Agreement”), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the land, buildings, machineries and equipment (Collectively referred to as the “Sale Assets”) at the Consideration of HK$110 million, which will be satisfied by way of issue of convertible bonds to the Vendors (or their respective nominee(s)) upon completion. Upon full conversion of the convertible bonds at the initial conversion price, a total of 200,000,000 conversion shares will be issued. The conversion shares will be issued under the Specific Mandate. Further details of the Acquisition were set out in the announcements of the Company dated 9 November 2015, 20 November 2015, 18 December 2015 and 13 January 2016 and the circular issued by the Company dated 18 January 2016 respectively and the poll result of the Special General Meeting were set out in the Company’s announcement dated 15 January 2016.

There were no significant investments held as at 31 December 2015. Save as aforesaid, there were no other material acquisitions and disposals of subsidiaries during the Year.

Formation of a Joint Venture

On 23 September 2015, International Faith Limited, an indirect wholly-owned subsidiary of the Company (the “Subscriber”), has entered into a subscription agreement pursuant to which the Subscriber has agreed to subscribe for the subscription shares, representing 1,200 shares or 10% of the issued shares of Brighsun Ev-tech Co., Limited as enlarged by the subscription, at the consideration of HK$9,000,000. The subscription was completed on 15 October 2015. Further details were set out in the announcements of the Company dated 23 September 2015 and 15 October 2015.

Possible Acquisition of Equity Interest in a Company

On 6 August 2015, the Company entered into a memorandum of understanding (the “MOU”) with an independent third party in relation to a possible acquisition by the Company of an effective 35% equity interest in a company established in the PRC which is principally engaged in the sales of silver and related activities including provision of investment information consultancy services and business information consultancy services (primarily on the pricing information for silver) in the PRC. The Company was granted an exclusivity period of three months commencing from the date of the MOU.

On 13 November 2015, the Company and the potential vendor has agreed to extend the exclusivity period for 3 months.

The possible acquisition has not been materialised up to the date of this announcement. Further details were set out in the announcement of the Company dated 6 August 2015 and 13 November 2015.

Fund Raising Activities

Placing of Bonds

On 13 March 2015, the Company entered into a placing agreement with a placing agent in relation to the placing of bonds (the "Bonds") to be issued by the Company up to the maximum principal amount of HK$50,000,000 within seven business days after entering into the placing agreement. The Bonds would have been bearing interest of 6% per annum payable annually in arrears, and would have a maturity date falling on the day being the third anniversary of the issue date, or if that is not a business day, the first business day thereafter. The issue price would be 100% of the principal amount of the Bonds. The placing agreement lapsed on 24 March 2015 and the placing did not proceed. Details of the placing arrangement were set out in the announcements of the Company dated 13 March 2015 and 24 March 2015, respectively.

Open Offer

On 31 March 2015, the Company announced its proposal to raise funds by way of an open offer of one offer share for every two shares held by the qualifying shareholders at a subscription price of HK$0.70 per offer share (the "Open Offer"). The Open Offer was fully underwritten by Emperor Securities Limited (the "Underwriter") pursuant to the underwriting agreement ("the Underwriting Agreement") dated 30 March 2015 entered into by and between the Company and the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter had conditionally agreed to underwrite all the 88,000,000 offer shares subject to the terms and conditions set out in the Underwriting Agreement. The aggregate nominal value of the offer shares was HK$8,800,000.

The net proceeds of the Open Offer was approximately HK$59.3 million. Further details of the Open Offer were set out in the Company's announcement dated 31 March 2015 and the prospectus issued by Company dated 28 April 2015 and results of the Open Offer were set out in the Company's announcement dated 19 May 2015.

Placing of New Shares under General Mandate ("Placing")

On 14 July 2015, the Company entered into a placing agreement (the "Placing Agreement") with an agent (the "Placing Agent") and the Placing was completed on 27 July 2015 in accordance with the terms and conditions of the Placing Agreement. The closing price of the share as quoted on the Stock Exchange on the date of the Placing Agreement is HK$0.90. An aggregate of 35,200,000 placing shares have been successfully placed by the Placing Agent to not less than six placees at the placing price of HK$0.725 per Placing Share. The net proceeds from the Placing amount to approximately HK$25.0 million is used for working capital to the Group to meet any future development and obligations. Further details of the Placing have been set out in the Company's announcements dated 15 July 2015, 16 July 2015 and 27 July 2015.

Grant of Share Options

Share Option Scheme

On 27 May 2015 (the "Date of Grant"), the Company granted share options (the "Share Options") to the eligible persons within the Group (the "Grantees") pursuant to the Company's share option scheme launched on 22 December 2010, subject to acceptance by the Grantees. The Share Options entitle the Grantees to subscribe for a total of 15,000,000 ordinary shares with nominal value of HK$0.10 each (the "Shares") in the capital of the Company upon exercise of the Share Options in full. The exercise price of the Share Options granted of HK$1.17 per Share represent the highest of (i) the closing price of HK$1.17 per Share on the Date of Grant; (ii) the average closing price of HK$1.04 per Share for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of HK$0.10 per Share. As at 31 December 2015, 7,500,000 options have been exercised and gross proceeds of HK$8,775,000 was received from exercise of these options. No option has lapsed and there were 7,500,000 options outstanding under the share option scheme. Details of the Grant of Share Options was set out in the announcement of the Company dated 27 May 2015.

Dividends

The Group did not recommend the payment of any dividend during the Year (2014: a special dividend of HK$36 million was paid).

Employees and Remuneration Policies

The Group had 112 (2014: 44) employees as at the end of the Year. The Group's remuneration practices are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Company recognises the importance of a good relationship with the employees by providing competitive remuneration package to the employees including salaries, allowances, insurance, discretionary bonus, and training for human resources upskilling.

Change of Auditors

BDO Limited ("BDO") has resigned as an auditor of the Company and its subsidiaries (collectively referred to as the "Group") with effect from 26 June 2015. HLB Hodgson Impey Cheng Limited ("HLB") has been appointed as the auditor of the Group with effect from 26 June 2015 to fill the casual vacancy following the resignation of BDO. HLB shall hold the office until the conclusion of the next annual general meeting of the Company. Details of the Change of Auditors were set out in the announcement of the Company dated 26 June 2015.

Change of Company Secretary

Mr. Chan Kwong Leung, Eric ("Mr. Chan") has tendered his resignation as the company secretary and authorised representative of the Company with effect from 4 August 2015. Following the resignation of Mr. Chan, Ms. Hui Wai Man, Shirley has been appointed as the company secretary and authorised representative of the Company with effect from 4 August 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules throughout the Year, save as disclosed below:

Code provision A.2.1 of the CG Code requires the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not officially have a position of chief executive, but Mr. Fei Jie, the Chairman of the Board, has been assuming the roles of chief executive of the Company during the Year. The Board believes that the roles of chairman and chief executive performed by Mr. Fei Jie can provide the Group with strong and consistent leadership and allow for more effective and efficient business planning and decisions as well as execution of long term business strategies.

Code provision A.6.7 of the CG Code requires all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. During the Year, Mr. Jim Yiu Ming, an Independent Non executive Director, was unable to attend the annual general meeting held on 4 May 2015 due to his personal commitment.

DIRECTORS SECURITIES TRANSACTIONS

The Company adopted the model code for securities transactions by the Directors (the "Model Code") on terms no less exacting than the required standard of dealings set out in Rule 5.48 to 5.67 of the GEM Listing Rules. On specific enquiry made, all the Directors have confirmed compliance with the Model Code throughout the Year.

SUFFICIENCY OF PUBLIC FLOAT

Save as disclosed below, from information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float during the Year.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED ("HLB")

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditors HLB, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee is currently composed of the three Independent Non-executive Directors, namely Mr. Cheung Siu Wah, Mr. Jim Yiu Ming and Mr. Sit Sai Hung, Billy. The Audit Committee was chaired by Mr. Sit Sai Hung, Billy, who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary duties of the Audit Committee include the following:

(a) monitor and ensure a proper relationship with the Company's auditors;

(b) review of the Group's quarterly, interim and annual reports and compliance with accounting standards, the GEM Listing Rules, and legal requirements before submission to the Board; and

(c) oversight of the Company's financial reporting process, risk management and internal control system.

The Audit Committee has reviewed the audited financial statements of the Group for the Year and recommended to the Board the approval and announcement of such financial statements.

By Order of the Board
Powerwell Pacific Holdings Limited
Fei Jie
Chairman and Executive Director

Hong Kong, 18 March 2016

As at the date of this announcement, the Executive Directors are Mr. Fei Jie and Mr. Fung Chi Kin and the Independent Non-executive Directors are Mr. Cheung Siu Wah, Mr. Jim Yiu Ming, Mr. Sit Sai Hung, Billy and Mr. Shen Ruolei.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least 7 days from its date of posting and on the designated website of this Company at www.hklistco.com/8265.