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PACIFIC PLYWOOD HOLDINGS LIMITED
太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

	2015	2014	CHANGE
	HK$'000	*HK$'000*	
REVENUE	**102,490**	65,165	+57.3%
GROSS PROFIT	**101,072**	64,234	+57.3%
LOSS FOR THE YEAR	**(149,838)**	(26,921)	+456.6%
PROFIT FOR THE YEAR BEFORE IMPAIRMENT OF GOODWILL	**89,162**	40,098	+122.4%

The board of directors (the "**Directors**") (the "**Board**") of Pacific Plywood Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015. The annual results have been reviewed by the audit committee of the Company (the"**Audit Committee**").

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000* (Re-presented)
REVENUE	*6*	**102,490**	65,165
Cost of services		**(1,418)**	(931)
Gross profit		**101,072**	64,234
Other income and gains	*6*	**77,100**	30,909
Selling and distribution expenses		**(9,943)**	–
Administrative expenses		**(72,815)**	(32,637)
Other expenses		**(239,190)**	(81,602)
Finance costs	*7*	**(99)**	(926)
LOSS BEFORE TAX	*8*	**(143,875)**	(20,022)
Income tax expense	*9*	**(5,963)**	(6,899)
LOSS FOR THE YEAR		**(149,838)**	(26,921)
Attributable to:			
Owners of the parent		**(148,282)**	(26,008)
Non-controlling interests		**(1,556)**	(913)
		(149,838)	(26,921)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*11*		
Basic and diluted		**HK(5.33) cents**	HK(0.93) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
		(Re-presented)
LOSS FOR THE YEAR	**(149,838)**	(26,921)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Change in fair value	**430,367**	534,965
Reclassification adjustment for gain/losses included in the consolidated statement of profit or loss		
– gain on disposal	**(5,582)**	(3,463)
– impairment losses	**–**	14,523
	424,785	546,025
Exchange differences on translation of foreign operations	**(1,507)**	1,277
NET OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**423,278**	547,302
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**273,440**	520,381
Attributable to:		
Owners of the parent	**273,676**	520,400
Non-controlling interests	**(236)**	(19)
	273,440	520,381

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**17,802**	527
Goodwill		**2,182,663**	239,000
Intangible asset		**1,194**	1,194
Deposit for acquisition of logging concession		**–**	221
Available-for-sale investments		**1,127,088**	797,503
Total non-current assets		**3,328,747**	1,038,445
CURRENT ASSETS			
Loan and interest receivables	*13*	**555,180**	391,584
Trade and other receivables	*14*	**55,419**	24,189
Available-for-sale investments		**41,672**	–
Tax recoverable		**2,174**	–
Cash and cash equivalents		**197,059**	67,734
Total current assets		**851,504**	483,507
CURRENT LIABILITIES			
Other payables and accruals		**21,967**	3,684
Tax payable		**22,628**	5,960
Total current liabilities		**44,595**	9,644
NET CURRENT ASSETS		**806,909**	473,863
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,135,656**	1,512,308
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**304**	–
Net assets		**4,135,352**	1,512,308
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,782**	2,782
Reserves		**4,124,956**	1,509,384
		4,127,738	1,512,166
Non-controlling interests		**7,614**	142
Total equity		**4,135,352**	1,512,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2015

1. CORPORATE INFORMATION AND GROUP INFORMATION

Pacific Plywood Holdings Limited is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered address of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The principal place of business of the Company is located at Units 3301-03, 33/F, West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

During the year, the Group was involved in the following principal activities:

- Operation of peer-to-peer (P2P) financing platform under the CAIJIA brand and other loan facilities services
- Money lending and provision of credit
- Provision of corporate secretarial and consultancy services
- Securities investments
- Forestry business

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Allied Summit Inc., which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain of equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

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

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010–2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property:* Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not acquire any investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;
(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into five reportable operating segments as follows:

(a) Loan facilitation services: operation of P2P financing platform under the CAIJIA brand and other loan facilitation services
(b) Money lending: money lending and provision of credit
(c) Consultancy services: provision of corporate secretarial and consultancy services
(d) Securities investments: trading of securities and investment in long-term securities
(e) Forestry business: forest logging and harvesting

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that interest income, finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude head office and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude head office and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2015

	Loan facilitation services *HK$'000*	Money lending *HK$'000*	Consultancy services *HK$'000*	Securities investments *HK$'000*	Forestry business *HK$'000*	Total *HK$'000*
Segment revenue:						
Revenue from external customers	**34,740**	**66,457**	**1,293**	**–**	**–**	**102,490**
Segment result	**3,810**	**80,014**	**(3,823)**	**62,392**	**(243,948)**	**(101,555)**
Reconciliation:						
Interest income						**107**
Corporate and other unallocated expenses						**(42,328)**
Finance costs						**(99)**
Loss before tax						**(143,875)**

Year ended 31 December 2014

	Money lending *HK$'000*	Consultancy services *HK$'000*	Securities investments *HK$'000*	Forestry business *HK$'000*	Total *HK$'000*
Segment revenue:					
Revenue from external customers	63,327	1,838	–	–	65,165
Segment result	67,612	(4,080)	8,185	(71,929)	(212)
Reconciliation:					
Interest income					2
Corporate and other unallocated expenses					(18,886)
Finance costs					(926)
Loss before tax					(20,022)

Year ended 31 December 2015

	Loan facilitation services *HK$'000*	**Money lending** *HK$'000*	**Consultancy services** *HK$'000*	**Securities investments** *HK$'000*	**Forestry business** *HK$'000*	**Total** *HK$'000*
Segment assets	**2,387,768**	**623,875**	**1,578**	**1,154,000**	**–**	**4,167,221**
Reconciliation:						
Corporate and other unallocated assets						**13,030**
Total assets						**4,180,251**
Segment liabilities	**40,179**	**–**	**81**	**–**	**–**	**40,260**
Reconciliation:						
Corporate and other unallocated liabilities						**4,639**
Total liabilities						**44,899**

Year ended 31 December 2014

	Money lending HK$'000	Consultancy services HK$'000	Securities investments HK$'000	Forestry business HK$'000	Total HK$'000
Segment assets	442,861	1,257	827,207	239,221	1,510,546
Reconciliation:					
Corporate and other unallocated assets					11,406
Total assets					1,521,952
Segment liabilities	19	153	–	–	172
Reconciliation:					
Corporate and other unallocated liabilities					9,472
Total liabilities					9,644

Other segment information:

Year ended 31 December 2015

	Loan facilitation services *HK$'000*	**Money lending** *HK$'000*	**Consultancy services** *HK$'000*	**Securities investments** *HK$'000*	**Forestry business** *HK$'000*	**Total** *HK$'000*
Depreciation	1,007	–	–	–	–	1,007
Reversal of impairment of loan and interest receivables	–	(12,690)	–	–	–	(12,690)
Impairment of deposit for acquisition of logging concession	–	–	–	–	190	190
Impairment of goodwill	–	–	–	–	239,000	239,000
Dividend income	–	–	–	(57,425)	–	(57,425)
Gain on disposal of available-for-sale investments	–	–	–	(5,550)	–	(5,550)

Year ended 31 December 2014

	Money lending *HK$'000*	Consultancy services *HK$'000*	Securities investments *HK$'000*	Forestry business *HK$'000*	Total *HK$'000*
Reversal of impairment of loan and interest receivables	(8,076)	–	–	–	(8,076)
Impairment of goodwill	–	–	–	67,019	67,019
Dividend income	–	–	(19,397)	–	(19,397)
Gain on disposal of available-for-sale investments	–	–	(3,430)	–	(3,430)
Impairment of available-for-sale investments	–	–	14,523	–	14,523
Impairment of trade and other receivables	–	60	–	–	60

Geographical Information:

The revenue information is based on the location of customers. The non-current assets are based on the locations of the assets and excludes available-for-sale investments.

	Revenue from external customers		**Non-current assets**	
	2015 ***HK$'000***	2014 *HK$'000*	**2015** ***HK$'000***	2014 *HK$'000*
Hong Kong	**67,750**	65,165	**1,947**	1,721
Mainland China	**34,740**	–	**2,199,712**	–
The Independent State of Papua New Guinea (the "**PNG**") *(Note)*	**–**	–	**–**	239,221
	102,490	65,165	**2,201,659**	240,942

Note: Included the goodwill of approximately HK$2,182,663,000 acquired through the business combination of 96% equity interest in Katar Global Limited and its subsidiaries during the year.

Information About Major Customers

During the year, revenue of approximately HK$23,110,000 (2014: HK$49,527,000), representing 23% (2014: 76%) of the Group's total revenue, were derived from money lending segment to two customers (2014: four customers) who each contributed over 10% of the Group's total revenue. A summary of revenue earned from each of these major customers is set out below:

	2015 ***HK$'000***	2014 *HK$'000*
Customer A	**N/A***	20,005
Customer B	**12,310**	N/A*
Customer C	**10,800**	10,995
Customer D	**N/A***	10,260
Customer E	**N/A***	8,267

* The corresponding revenue of these customers is not disclosed as they individually did not contribute over 10% of the Group's total revenue for the year.

6. REVENUE, OTHER INCOME AND GAINS

Revenue represents (i) the gross proceeds, net of business tax, from operation of P2P financing platform under the CAIJIA brand and other loan facilitation services; (ii) gross proceeds from money lending and provision of credit; and (iii) gross proceeds from provision of corporate secretarial and consultancy services received and receivable during the year.

An analysis of revenue, other income and gains is as follow:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Interest income from loan receivables	**66,457**	63,327
Loan facilitation service income*	**34,740**	–
Consultancy service income	**1,293**	1,838
	102,490	65,165

	2015	2014
	HK$'000	*HK$'000*
		(Re-presented)
Other income and gains		
Bank interest income	**107**	2
Reversal of impairment of loan and interest receivables	**12,690**	8,076
Dividend income from available-for-sale investments	**57,425**	19,397
Gain on disposal of available-for-sale investments (transfer from equity on disposal and net of transaction costs)	**5,550**	3,430
Gain on disposal of subsidiaries	**198**	–
Others	**1,130**	4
	77,100	30,909

* Representing post-acquisition revenue

7. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
		(Re-presented)
Interest on other borrowings	**99**	926

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2015 *HK$'000*	2014 *HK$'000*
Depreciation	**1,159**	932
Impairment of goodwill*	**239,000**	67,019
Impairment of available-for-sale investments*	**–**	14,523
Impairment of trade and other receivables*	**–**	60
Impairment of deposit for acquisition of logging concession*	**190**	–
Minimum lease payments under operating leases	**5,854**	2,250
Auditor's remuneration	**1,500**	972
Foreign exchange differences, net	**2,126**	1,307
Employee benefit expenses (excluding Directors' and chief executive remuneration):		
– Wages and salaries	**29,352**	8,468
– Pension scheme contributions	**5,743**	487
	35,095	8,955

* Included in "other expenses" on the face of the consolidated statement of profit or loss

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2015 *HK$'000*	2014 *HK$'000*
Current – Hong Kong		
– Charge for the year	**5,580**	6,899
– Overprovision in prior years	**(40)**	–
Current – The People's Republic of China (the "**PRC**")	**423**	–
Total tax charge for the year	**5,963**	6,899

10. DIVIDEND

No dividend was paid or declared by the Company for the year ended 31 December 2015 (2014: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to ordinary equity holders of the parent of approximately HK$148,282,000 (2014: HK$26,008,000) and on approximately 2,782,102,000 (2014: 2,782,102,000) ordinary shares in issue during the year.

In respect of the diluted loss per share amounts presented, no adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2015 and 2014 as the impact of the share options and the mandatory convertible notes outstanding these years had either no dilutive effect or an anti-dilutive effect on the basic loss per share amounts presented.

12. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2015, the Group had additions of property, plant and equipment at a total cost of approximately HK$666,000 (2014: HK$65,000).

13. LOAN AND INTEREST RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Loan and interest receivables	**555,180**	422,568
Impairment	**–**	(30,984)
	555,180	391,584

The terms of loan entered with its customers are on credit. The credit period is generally within one year, extending up to two years, after monitoring assessment and further creditworthiness analysis on the debtors reviewed by senior management. All loan and interest receivables are denominated in HK$. The loan receivables carried at fixed interest rate ranging from 10% to 36% (2014: 10% to 24%) per annum.

An aged analysis of the loan and interest receivables as at the end of the reporting period, based on the commencement of loan agreement entered and the date of interest income accrued, and net of provisions, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**74,046**	63,488
31–90 days	**360,825**	83,246
91–180 days	**–**	44,567
181–365 days	**39,413**	69,287
Over 365 days	**80,896**	130,996
	555,180	391,584

14. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**40,791**	166
Impairment	**(60)**	(60)
	40,731	106
Prepayments	**4,945**	3,340
Other receivables	**9,743**	20,743
	14,688	24,083
	55,419	24,189

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 90 days for its trade receivables. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**3,147**	106
31 to 60 days	**14,478**	–
61 to 90 days	**16,741**	–
Over 90 days	**6,365**	–
	40,731	106

15. EVENTS AFTER THE REPORTING PERIOD

(a) CCTH CPA Limited ("**CCTH**") has resigned as the auditor of the Company with effect from 8 January 2016 as the Company could not reach a consensus with CCTH on the audit fee for the financial year ended 31 December 2015 and Zenith CPA Limited has been appointed as the new auditor of the Company with effect from 8 January 2016 to fill the casual vacancy following the resignation of CCTH and to hold office until the conclusion of the next annual general meeting of the Company.

(b) On 18 January 2016, the Group entered into a supplemental loan agreement (the "**Supplemental Loan Agreement**") with an independent third party (the "**First Borrower**"), pursuant to which the Group has agreed to provide a supplemental loan facility with principal amount of up to HK$58,000,000 to the First Borrower in accordance with the terms therein. On 19 August 2015, the Group had entered into a loan agreement with the First Borrower pursuant to which the Group provided a loan with principal amount of HK$50,000,000 to the First Borrower (the "**First Loan**") and the repayment date of the First Loan has been extended under the Supplemental Loan Agreement.

(c) On 20 January 2016, Ms. Yu Yang ("**Ms. Yu**") was appointed as the chief executive officer of the Group. Ms. Yu is responsible for making decisions on all material matters related to the Group's operations such as business scope, operating approach and financial position, and its day-to-day operation management.

(d) On 16 March 2016, the Group entered into a second loan agreement (the "**Second Loan Agreement**") and third loan agreement (the "**Third Loan Agreement**") with the second borrower (the "**Second Borrower**") and the third borrower (the "**Third Borrower**") (who are independent third parties) respectively, pursuant to which the Group has agreed to provide loan with principal amount of up to HK$2,000,000 to each of the Second Borrower and the Third Borrower respectively in accordance with the terms thereunder. Prior to 16 March 2016, the Group provided the previous loans to an associate (as defined under the Listing Rules), the Second Borrower and the Third Borrower with loan principal amounts of HK$58,100,000, HK$5,000,000 and HK$5,000,000 respectively. As at the date of this announcement, the previous loans to such associate of the Second Borrower and the Third Borrower had been fully repaid while the previous loans to the Second Borrower and the Third Borrower have not been due.

16. COMPARATIVE AMOUNTS

Certain comparative amounts have been represented to conform to the presentation of current year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2015, the Group's revenue was approximately HK$102,490,000 (2014: HK$65,165,000) and the Group recorded a loss of approximately HK$149,838,000 (2014: loss of HK$26,921,000), the basic and diluted loss per share were HK5.33 cents per share (2014: basic and diluted loss per share were HK0.93 cents per share).

As at 31 December 2015, the consolidated net assets of the Group were approximately HK$4,135,352,000 (31 December 2014: net assets of HK$1,512,308,000).

The Group achieved a net profit after tax of approximately HK$89,162,000 (2014: HK$40,098,000) before recognising an impairment of goodwill in relation to the forestry business during the year.

BUSINESS REVIEW

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of operation of P2P financing platform and other loan facilitation services, money lending and provision of credit, provision of corporate secretarial and consultancy services, securities investments and forestry business.

Operation of P2P Financing Platform and Other Loan Facilitation Services Business

On 20 May 2015, the Company entered into a sale and purchase agreement with Allied Summit Inc., the controlling shareholder of the Company as the vendor, pursuant to which the Company has conditionally agreed to acquire 96% of the issued share capital of Katar Global Limited and all indebtedness, obligations and liabilities due, owing or incurred by Katar Global Limited and its wholly-owned subsidiary, Century Fine Limited, to Allied Summit Inc. at the consideration of HK$2,400 million, satisfied by the way of issuance of non-redeemable convertible notes of the Company in the principal amount of HK$2,400 million (the "**Very Substantial Acquisition**"). Katar Global Limited, through its wholly-owned subsidiaries and relevant structured contracts (the "**Structured Contracts**"), is principally engaged in the operation of a P2P online financing platform in the PRC, matching borrowers with private lenders for various financial products through the internet under the "CAIJIA" ("財加") brand, which is conducted via the website (www.91caijia.com). The relevant resolution was passed in a special general meeting of the Company held on 16 October 2015 by way of poll. The completion of the Very Substantial Acquisition took place on 20 October 2015 and Katar Global Limited and its subsidiaries (the "**Katar Global Group**") have become subsidiaries of the Company since then. Details of the Very Substantial Acquisition have been disclosed in the announcements of the Company dated 10 July 2015, 16 October 2015 and 20 October 2015 and the circular of the Company dated 29 September 2015 (the "**Circular**").

Since the completion of the Very Substantial Acquisition on 20 October 2015, Katar Global Group contributed approximately HK$34,740,000 to the Group's revenue and approximately HK$3,491,000 to the Group's consolidated profit for the year ended 31 December 2015.

Money Lending and Provision of Credit Business

Since obtaining the money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in 2011, Joy Wealth Finance Limited, a wholly-owned subsidiary of the Company, has provided a wide variety of loans with an accumulated amount of approximately HK$1,670 million. Interest rates ranged from 10%–36% per annum during the current year (2014: 10%-48%). For the year ended 31 December 2015, the interest income was approximately HK$66,457,000 (2014: HK$63,327,000) whereas there was reversal of impairment of HK$12,690,000 (2014: HK$8,076,000) on the loan and interest receivables. Details on the loan and interest receivables were set out in note 13 to the consolidated financial statements.

Provision of Corporate Secretarial and Consultancy Services Business

The Group has been conducting the provision of corporate secretarial and consultancy services business mainly through Pacific Vision Advisory Services Limited, a wholly-owned subsidiary of the Company. The Group has recruited a team of professionals in the areas of accounting, finance, legal and corporate secretary and has built up a client portfolio with a number of listed companies.

During the year ended 31 December 2015, a segment revenue of approximately HK$1,293,000 and a segment loss of approximately HK$3,823,000 had been recorded (31 December 2014: segment revenue approximately HK$1,838,000 and segment loss of approximately HK$4,080,000 respectively).

Securities Investments Business

As at 31 December 2015, the Group is holding several investments which are equity securities listed on the Stock Exchange for long term investment. For the year ended 31 December 2015, these investments in the listed securities led to a net fair value gain being recognised as an other comprehensive income in an amount of approximately HK$424,785,000 (2014: HK$546,025,000) while there was a gain on disposal of approximately HK$5,550,000 (2014: HK$3,430,000) recognised in the consolidated statement of profit or loss. Dividend income received from these listed securities amounted to approximately HK$47,815,000 (2014: HK$9,413,000) during the year.

The Group held 90 redeemable convertible preference shares of a company with money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the "**Preference Shares**") in the aggregate amount of HK$90,000,000, which brought a dividend income of approximately HK$9,610,000 (2014: HK$9,984,000) during the current year and the Preference Shares were fully redeemed before 31 December 2015.

Forestry Business

On 12 April 2012, the Group completed the acquisition (the "**Acquisition**") of 30% of the entire issued share capital of Profit Grand Enterprises Limited ("**Profit Grand**"), which through its subsidiary has the logging rights within a forest sized approximately 65,800 hectares in the PNG. Details of the Acquisition have been disclosed in the circular of the Company dated 29 February 2012.

As at 31 December 2015 and the date of this announcement, there was no material progress in these regards that may unveil the uncertainty in relation to the grant of the necessary approvals, licenses, registrations, confirmations and/or permits as may be required to conduct forestry related business and to enjoy logging concession right under the laws and regulations in the PNG (the "**Official Approvals**") within the time frame as previously expected. Accordingly, the recoverable amount of the goodwill resulted from the Acquisition (the "**Goodwill**") is declined and thus the impairment loss is triggered. As at 31 December 2015, the recoverable amount of the Goodwill was fully impaired with an impairment of Goodwill in an amount of approximately HK$239,000,000 (2014: HK$67,019,000) recognised during the current year as it is considered that the non-performance in the forestry business cash-generating unit would be prolonged.

OUTLOOK

Operation of P2P Financing Platform and Other Loan Facilitation Services Business

Pursuant to the completion of the Very Substantial Acquisition of 96% of the issued share capital of Katar Global Limited on 20 October 2015, the Group started to engage in the operation of P2P financing platform (www.91caijia.com) in the PRC and other loan facilitation services. There is strong demand of online financial products in the PRC and the Group is of the view that P2P loan facilitation service business is a new business with enormous growth potential. Moreover, the relevant experience in the money lending and provision of credit business of the Group would generate synergies to the operation of P2P loan facilitation service business. It is expected that the operation of P2P loan facilitation service business will generate positive cash flow to the Group in the coming years.

In order to remove the Company's reliance on, and hence forth the risks associated with the adoption of, the Structured Contracts in the operation of P2P loan facilitation service business as mentioned in the Circular, the Company has been looking for acquisition opportunities of foreign companies principally engaged in e-commerce related business with track records or considering the establishment of e-commerce related business overseas by itself to gain foreign e-commerce experiences in order to unwind the Structured Contracts. It has also been the Company's plan and intention to adopt a new business model for Katar Global Group in the future such that its business could be carried on without the Structured Contracts and without material adverse impact.

Money Lending and Provision of Credit Business

Money lending and provision of credit business will continue to be one of the major business segments of the Group and contribute stable interest income to the Group. The Group will further develop this business segment, diversify the customer portfolio and seek new opportunities to cooperate with its business partners.

Provision of Corporate Secretarial and Consultancy Services Business

Due to keen competition for corporate secretarial and consultancy services, such business segment has underperformed and recorded continuous losses for the past two years. The Company will carefully monitor the situation and may consider to scale down or realise this business as and when necessary, and may reallocate its internal resources from this segment to other promising business segment of the Group, such as the newly acquired P2P loan facilitation service business and money lending and provision of credit business.

Securities Investments Business

As part of its routine exercise, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company. Subject to the results of such reviews, the Company may make suitable investment decisions according to the then circumstance and information available which may involve the disposal of the whole or part of its existing investment portfolio and/or the change of the components and/or the asset allocation of its investment portfolio and/or broadening and diversifying its investment portfolio with a view of realising and/or optimising the expected return and minimising the risks.

Forestry Business

As it is highly uncertain when the Official Approvals can be obtained from the relevant government authorities, the Group intends to scale down the forestry business and seek for potential buyer(s) to realise such investment as soon as practicable. In the future, the Company will reallocate its internal resources from forestry business to other promising business segments of the Group, such as the newly acquired P2P loan facilitation service business and money lending and provision of credit business.

Capital Structure

There was no change to the authorised and issued share capital of the Company for the year ended 31 December 2015. As at 31 December 2015, the total number of the issued ordinary shares with the par value of HK$0.001 each was 2,782,102,650 (31 December 2014: 2,782,102,650).

Significant Investment, Acquisition and Disposals

Save as the Very Substantial Acquisition disclosed above, there was no significant investment, acquisition and disposals that should be notified to the shareholders of the Company (the "**Shareholders**") for the year ended 31 December 2015.

The performance and prospect of the significant investments of the Group for the current year under review were discussed under the sections of "Securities Investments Business" above.

Segment Information

Details of segment information of the Group for the year ended 31 December 2015 are set out in note 5.

Employees and Remuneration Policy

As at 31 December 2015, 1,078 staff members have been employed. In-house training programs were provided for the staff to enhance their skills and job knowledge. The management of the Company would continue to foster close co-operation among the staff.

The Group will review the employee remuneration from time to time based on their performance, experiences and industry practice and salary increment is normally approved annually or by special adjustment depending on length of services and performance when warranted. In addition to salaries, the Group provides employee benefits including medical, mandatory provident funds for employees in Hong Kong and defined contribution retirement plans for employees in the PRC. Share options and bonuses are also available to employees of the Group at the discretion of Directors and depending on the financial performance of the Group and the performance of the employees.

Details of Charges on Assets

As at 31 December 2015, the Group did not pledge any assets to banks or other financial institutions nor did the Group have any corporate guarantee given to any entity (31 December 2014: Nil).

Future Plans for Material Investment or Capital Assets

It is the Group's corporate mission to continue to explore ways to improve its financial performance, to diversify its operations into new and more profitable businesses, in particular new business opportunities in PRC to extend its money lending platform, and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or changing to other profitable business as long as it is in the interest of the Company and the Shareholders as a whole. Also, as part of its routine exercise, the Company reviews the performance of its existing investment portfolio and evaluates the investment potentials of other investment opportunities available to the Company from time to time. Subject to the results of such reviews, the Company may make suitable investment decisions according to the then circumstance and information available which may involve the disposal of the whole or part of its existing investment portfolio and/or change of the asset allocation of its investment portfolio and/or expanding its investment portfolio with a view of realising and/or optimising the expected return and minimising the risks. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects.

As at the date of this announcement, the Company had not entered into any agreement, arrangement, understanding, intention or negotiation that should be disclosed pursuant to the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Treasure Policy

The Group has adopted a treasury policy on 24 May 2011 in relation to the Group's investments in securities of other listed companies on the Stock Exchange. The objective of the policy is to enable the Group to control and govern the possible future securities investments (if any, which may or may not occur).

Working Capital and Gearing Ratio

As the Group had a net cash position as at 31 December 2015 and 31 December 2014 with no borrowing, the gearing ratios were not applicable.

Foreign Exchange Exposure

Business transactions of the Group are mainly denominated in HK$ and Renminbi ("**RMB**"). The Group has not implemented any foreign currency hedging policy at the moment. However, in the view of the fluctuation of RMB in recent years, continuous monitoring on the foreign exchange exposure is carried out and the management will consider hedging the foreign exchange exposure if it has material impact on the Group.

Capital Commitment

As at 31 December 2015, the Group had no material capital commitment (31 December 2014: Nil).

Contingent liabilities

As at 31 December 2015, the Group had no material contingent liabilities (31 December 2014: Nil).

DIVIDEND

No dividend for the year ended 31 December 2015 (2014: Nil) is recommended by the Board.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business and to ensure that its affairs are conducted in accordance with applicable laws and regulations.

The Company has applied the principles and complied with all relevant code provisions (the "**Code Provisions**") set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Listing Rules except for the deviations as explained below:

Code Provision A.2.1 of the CG Code stipulates that the role of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Before 20 January 2016, Mr. Huang Chuan Fu served as the Chairman of the Company but the Company did not have any offices with title of "Chief Executive Officer". The executive Directors undertook the day-to-day management of the Company's business, whereas the Chairman was responsible for management of the Board and strategic planning of the Group. Under such arrangement, the Board believed that the balance of power and authority was adequately ensured. Upon the appointment of Ms. Yu Yang as the Chief Executive Officer on 20 January 2016, the Company has then complied with the CG Code.

Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. One independent non-executive Director of the Company who was appointed in previous years was not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company. As such, it is considered that such provisions are sufficient to meet the underlying objectives of the relevant provisions of the CG Code. Also, the Board does not believe that arbitrary term limits on Directors' service are appropriate given that Directors ought to be committed to representing the long-term interests of the Shareholders.

Code Provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting of the Company. Mr. Huang Chuan Fu, the chairman of the Board, did not attend the annual general meeting of the Company held on 4 June 2015 ("**AGM**") due to his other important engagement. Mr. Wong Chun Hung, an independent non-executive Director, had chaired the said AGM and answered questions from the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the terms as contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the Company's code of conduct for securities transactions and dealings. All Directors of the Company, upon specific enquiry, have confirmed that they have complied with the Model Code during the year ended 31 December 2015.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises all independent non-executive Directors namely Mr. Wong Chun Hung (committee chairman), Mr. Zheng Zhen and Mr. To Langa Samuelson.

Mr. Lau Yiu Tung had ceased to be a member of the Audit Committee on 27 February 2015 since his resignation as an independent non-executive Director. Subsequently on 4 March 2015, Mr. To Langa Samuelson was appointed as a member of the Audit Committee.

During the year, the Audit Committee has reviewed the financial results as well as the Company's internal control review report. The Audit Committee also met the external auditor and monitored the appointment of external auditor. The Audit Committee reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Listing Rules, and the Company's compliance with the CG Code.

There is no disagreement between the Board and the Audit Committee during the year. The annual results of the Group for the year ended 31 December 2015 had been reviewed by the Audit Committee.

PUBLICATION OF FURTHER INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This final results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/pphl). The annual report for the year ended 31 December 2015 containing all the information as required by the Listing Rules will be published on the websites of the Stock Exchange and the Company respectively and copies will be dispatched to Shareholders in due course.

As at the date of this announcement, the Directors are:

Executive Directors
Mr. Huang Chuan Fu *(Chairman)*
Mr. Liang Jian Hua
Ms. Jia Hui
Mr. Jiang Yi Ren

Independent non-executive Directors
Mr. Wong Chun Hung
Mr. Zheng Zhen
Mr. To Langa Samuelson

By order of the Board
Pacific Plywood Holdings Limited
Huang Chuan Fu
Executive Director and Chairman

Hong Kong, 24 March 2016

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.