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**CAPITAL
VC LIMITED**

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)
(Stock Code: 02324)*

**RESULTS ANNOUNCEMENT
FOR THE FIFTEEN MONTHS ENDED 30 SEPTEMBER 2015**

The board of directors (the “Board”) of Capital VC Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the fifteen months ended 30 September 2015 together with the comparative figures in the year ended 30 June 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the fifteen months ended 30 September 2015

		Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
	<i>Notes</i>		
Turnover	3	406,671,315	136,230,385
Other income		12,903	265,600
Administrative expenses		(18,428,820)	(9,976,699)
Impairment loss on available-for-sale investments		(28,264,000)	—
Operating profit		359,991,398	126,519,286
Finance costs		(3,805,318)	(9,230,692)
Share of results of an associate		2,217,102	(56,928,183)
Profit before tax	5	358,403,182	60,360,411
Income tax	6	(60,922,203)	12,204,732
Profit for the period/year		<u>297,480,979</u>	<u>72,565,143</u>
Dividend	7	<u>—</u>	<u>—</u>
Earnings per share	8		(Restated)
– basic		<u>0.4707</u>	<u>0.4410</u>
– diluted		<u>0.4707</u>	<u>0.4288</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the fifteen months ended 30 September 2015

	Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
Profit for the period/year attributable to equity holders of the Company	<u>297,480,979</u>	<u>72,565,143</u>
Other comprehensive income (loss)		
Other comprehensive income (loss) to be reclassified to profit or loss subsequently:		
Gain on fair value changes of available-for-sale investments	6,008,000	–
Transfer from investment revaluation reserve upon disposal of available-for-sale investment	<u>–</u>	<u>(3,238,500)</u>
Other comprehensive income (loss) for the period/year, net of tax	<u>6,008,000</u>	<u>(3,238,500)</u>
Total comprehensive income for the period/year attributable to equity holders of the Company	<u><u>303,488,979</u></u>	<u><u>69,326,643</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

		30 September 2015 <i>HK\$</i>	30 June 2014 <i>HK\$</i>
Non-current assets			
Plant and equipment	9	35,705,808	209,168
Interest in an associate	10	73,712,468	71,495,366
Available-for-sale investments	11	119,384,000	86,940,000
Amounts receivable on disposal of available-for-sale investments	12	5,000,000	37,500,000
Deferred tax assets	6	–	12,204,732
		233,802,276	208,349,266
Current assets			
Financial assets at fair value through profit or loss	13	982,276,147	209,992,210
Prepayments, deposits and other receivables	12	130,143,656	106,732,628
Amount due from an associate	10	95,842,223	79,453,359
Bank balances		191,513,142	147,384,719
		1,399,775,168	543,562,916
Current liabilities			
Other payables and accruals	14	250,949,702	65,700,698
Net current assets		1,148,825,466	477,862,218
Total assets less current liabilities		1,382,627,742	686,211,484
Non-current liabilities			
Deferred tax liabilities	6	48,717,471	–
		1,333,910,271	686,211,484
Capital and reserves			
Share capital		7,825,408	956,396
Reserves		1,326,084,863	685,255,088
Total equity attributable to equity holders of the Company		1,333,910,271	686,211,484
Net asset value per share	15	0.8523	0.7175

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fifteen months ended 30 September 2015

1. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

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

The Company announced on 24 June 2015 that the financial year end date of the Company changed from 30 June to 30 September commencing from the financial year 2014/15. Accordingly, the financial statements for the current period cover a period of fifteen months from 1 July 2014 to 30 September 2015 (the “Period”). The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and related notes cover the year ended 30 June 2014 (the “Year 2014”) and therefore may not be comparable with the amounts shown for the Period.

The Company changed its financial year end date in order to align the Company’s financial year end date with that of its principal associate, CNI Bullion Limited which is the Group’s substantial investments.

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

In the Period, the Group has applied the following new and revised HKFRSs issued by HKICPA:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: employee contributions
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)-Int 21	Levies

The application of the above amendments to HKFRSs in the current period has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

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

New and revised HKFRSs and Interpretations issued but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 Cycle ¹
Amendments to HKAS 1	Disclosure initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plants ¹
Amendments to HKAS 27	Equity method in separate financial statements ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exemption ¹
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations ¹
HKFRS 9	Financial instruments ²
HKFRS 14	Regulatory deferral accounts ¹
HKFRS 15	Revenue from contracts with customers ²

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

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

The directors of the Company anticipate that the application of these new and revised HKFRSs, interpretations and amendments will have no material financial impact on the consolidated financial statements of the Group.

3. TURNOVER

Turnover represents the amounts received and receivable on investments and net profit on financial assets at fair value through profit or loss (“FVTPL”) during the Period/Year 2014 as follows:

	Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
Turnover		
Net profit on financial assets at FVTPL	397,724,164	134,698,295
Dividend income from investments in listed securities	307,877	32,138
Dividend income from investment in an available-for-sale investment	150,000	–
Interest income on amounts receivable on disposal of available-for-sale investments	1,098,930	3,338,578
Interest income on amount due from an associate	7,369,515	5,829,302
Bank and other interest income	20,829	5,659
Loss on disposal of subsidiaries, net	–	(7,673,587)
	<u>406,671,315</u>	<u>136,230,385</u>

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular reports reviewed by the chief operating decision maker for decisions about resources allocated to the Group’s business components and for the review of the performance of those components.

The principal activity of the Group is investing in listed and unlisted companies. The Group has identified the operating and reportable segments as follows:

Financial assets at FVTPL	–	Investments in securities listed on Hong Kong Stock Exchange
Available-for-sale investments	–	Investments in unlisted securities
Associate	–	Investments in an entity which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture

4. SEGMENT INFORMATION (Continued)

	For the fifteen months ended 30 September 2015				
	Investment in financial assets at FVTPL HK\$	Investment in available- for-sale investments HK\$	Interest in an associate HK\$	Unallocated HK\$	Total HK\$
Segment revenue	398,032,041	1,248,930	7,369,515	33,732	406,684,218
Administrative expenses	–	–	–	(18,428,820)	(18,428,820)
Impairment loss on available-for-sale investments	–	(28,264,000)	–	–	(28,264,000)
Segment result	398,032,041	(27,015,070)	7,369,515	(18,395,088)	359,991,398
Finance costs	(3,805,318)	–	–	–	(3,805,318)
Share of results of an associate	–	–	2,217,102	–	2,217,102
Profit (loss) before tax	394,226,723	(27,015,070)	9,586,617	(18,395,088)	358,403,182
Income tax	(60,922,203)	–	–	–	(60,922,203)
Profit (loss) for the period	<u>333,304,520</u>	<u>(27,015,070)</u>	<u>9,586,617</u>	<u>(18,395,088)</u>	<u>297,480,979</u>
Segment assets	1,051,704,679	176,688,551	169,554,691	235,629,523	1,633,577,444
Segment liabilities	<u>294,000,193</u>	<u>–</u>	<u>–</u>	<u>5,666,980</u>	<u>299,667,173</u>
Other segment information					
Depreciation of plant and equipment	–	–	–	616,899	616,899
Purchase of plant and equipment	<u>–</u>	<u>–</u>	<u>–</u>	<u>36,113,539</u>	<u>36,113,539</u>

4. SEGMENT INFORMATION (Continued)

	For the year ended 30 June 2014				
	Investment in financial assets at FVTPL <i>HK\$</i>	Investment in available- for-sale investments <i>HK\$</i>	Interest in an associate <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Segment revenue	134,734,669	(4,335,009)	5,829,302	267,023	136,495,985
Administrative expenses	–	–	–	(9,976,699)	(9,976,699)
Segment result	134,734,669	(4,335,009)	5,829,302	(9,709,676)	126,519,286
Finance costs	(3,900,182)	–	–	(5,330,510)	(9,230,692)
Share of results of an associate	–	–	(56,928,183)	–	(56,928,183)
Profit (loss) before tax	130,834,487	(4,335,009)	(51,098,881)	(15,040,186)	60,360,411
Income tax	12,204,732	–	–	–	12,204,732
Profit (loss) for the year	<u>143,039,219</u>	<u>(4,335,009)</u>	<u>(51,098,881)</u>	<u>(15,040,186)</u>	<u>72,565,143</u>
Segment assets	270,200,957	181,625,606	150,948,725	149,136,894	751,912,182
Segment liabilities	<u>63,357,105</u>	<u>–</u>	<u>–</u>	<u>2,343,593</u>	<u>65,700,698</u>
Other segment information					
Depreciation of plant and equipment	<u>–</u>	<u>–</u>	<u>–</u>	<u>517,037</u>	<u>517,037</u>

Given the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. PROFIT BEFORE TAX

The Group's profit before tax has been arrived at after charging:

	Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
Directors' emoluments	1,650,000	1,808,000
Staff costs		
– Salaries, allowances and other benefits	1,793,833	1,146,921
– MPF Scheme contributions	64,892	49,895
Total staff costs	3,508,725	3,004,816
Auditor's remuneration	525,000	500,000
Depreciation of plant and equipment		
– owned assets	616,899	517,037
Minimum lease payments under operating lease for rented premises	1,441,672	1,607,443

6. INCOME TAX

- (a) The amount of taxation charged (credited) to the consolidated statement of profit or loss represents:

	Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
Deferred tax expense (credit)	<u>60,922,203</u>	<u>(12,204,732)</u>

No provision for Hong Kong Profits Tax has been made as the Period's taxable profits has been set-off by previous years' losses (Year 2014: Nil).

The income tax for the Period/Year 2014 can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

	Fifteen months ended 30 September 2015 HK\$	Year ended 30 June 2014 HK\$
Profit before tax	<u>358,403,182</u>	<u>60,360,411</u>
Tax at domestic income tax rate of 16.5% (2014: 16.5%)	59,136,525	9,959,468
Tax effect of share of results of an associate	(365,822)	9,393,150
Tax effect of income not taxable for tax purpose	(156,945)	(9,091,320)
Tax effect of expenses not deductible for tax purpose	4,764,456	2,089,431
Tax effect of tax losses recognised	–	(6,953,286)
Tax effect of temporary differences not recognised	(2,906,470)	69,776
Tax effect of loss not allowed	450,459	9,765
Tax effect of prior year's tax losses utilized in this period/year	–	<u>(17,681,716)</u>
Income tax expenses (credit)	<u>60,922,203</u>	<u>(12,204,732)</u>

At 30 September 2015, the Group has unused tax losses of HK\$7,253,980 (Year 2014: HK\$43,717,284) available for offset against future profits. The unrecognised tax losses may be carried forward indefinitely.

6. INCOME TAX *(Continued)*

(b) The component of deferred tax liabilities (assets) recognized in the consolidated statement of financial position and the movements during the Period are as follows:

	Unrealized gain (losses) on financial assets at FVTPL HK\$	Unused tax losses HK\$	Total HK\$
At 30 June 2014	(4,991,380)	(7,213,352)	(12,204,732)
Charged to profit or loss for the Period	54,905,758	6,016,445	60,922,203
	<u>49,914,378</u>	<u>(1,196,907)</u>	<u>48,717,471</u>

7. DIVIDEND

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

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit for the Period attributable to the equity holders of the Company of HK\$297,480,979 (Year 2014: HK\$72,565,143), based on the weighted average number of 632,004,371 (Year 2014 (restated): 164,537,688) ordinary shares in issue during the Period.

The weighted average number of ordinary shares in issue during the Year 2014 was adjusted to reflect the share consolidation and open offer effected on 12 June 2015 and 21 July 2015 respectively.

There was no dilution effect on the basic earnings per share for the Period as there was no dilutive shares outstanding during the Period.

The profits used in the calculation of diluted earnings per share for the Year 2014 was the same as those for the basic earnings per share, as set out above.

8. EARNINGS PER SHARE *(Continued)*

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Fifteen months ended 30 September 2015 <i>HK\$</i>	Year ended 30 June 2014 (Restated) <i>HK\$</i>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	632,004,371	164,537,688
Effect of dilutive potential ordinary shares	—	4,686,224
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>632,004,371</u>	<u>169,223,912</u>

There was no dilution effect on the basic earnings per share for the Period as there was no dilutive shares outstanding during the Period.

9. PLANT AND EQUIPMENT

During the Period, the Group acquired a vessel and motor vehicles at cost of approximately HK\$36,114,000 in aggregate for business purpose.

10. INTEREST IN AN ASSOCIATE

	30 September	30 June
	2015	2014
	HK\$	HK\$
Cost of investment in an unlisted associate	4,500,000	4,500,000
Share of post-acquisition profit	69,212,468	66,995,366
	<u>73,712,468</u>	<u>71,495,366</u>
Amount due from an associate	<u>95,842,223</u>	<u>79,453,359</u>

The amount due from an associate was unsecured, bearing interest at 8% per annum and repayable on demand.

As at 30 September 2015, the Group has interests in the following associate:

Name of associate	Form of business structure	Class of shares held	Place of incorporation and operations	Nominal value of issued share capital	Percentage of equity attributable to the Group	Principal activities
CNI Bullion Limited	Incorporated	Ordinary share	Hong Kong	HK\$15,000,000	30%	Provision of services on trading of gold in Hong Kong gold market

11. AVAILABLE-FOR-SALE INVESTMENTS

	30 September	30 June
	2015	2014
	HK\$	HK\$
Unlisted equity securities representing investments in private entities, at fair value	<u>119,384,000</u>	<u>86,940,000</u>

During the Period, the Group acquired three unlisted investments namely, (i) Sincere Smart International Limited (“SSIL”), the group of which is engaged in software application industry, (ii) Merit Advisory Limited (“MAL”), an investor relationship service company, and (iii) Latest Venture Limited (“LVL”), with its group business of provision of building construction works, electrical and mechanical engineering works and fitting-out works. The Group invested amounts of HK\$42,700,000, HK\$12,000,000 and HK\$12,450,000 in SSIL, MAL and LVL respectively.

In January 2015, the listing project of LVL has completed and the Group has converted its shares in LVL into 34,650,000 shares of Deson Construction International Holdings Ltd (“DCIH”, HKSE code: 8268). Based on DCIH’s listing price of HK\$0.385 per share, the value of 34,650,000 shares of DCIH held by the Group is HK\$13,340,250.

11. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

During the Period, net decrease in fair value of available-for-sale investments (the “Net Decrease in AFS Value”) of HK\$22,256,000, which represented the impairment loss on available-for-sale investments of HK\$28,264,000 net of gain on fair value changes of available-for-sale investments of HK\$6,008,000, was recorded. The Net Decrease in AFS Value primarily represented the impairment loss recognised in the Group’s investment in Pure Power Holdings Limited (“Pure Power”) of HK\$21,608,000. The Pure Power group is principally engaged in the exploration and exploitation of natural resources in the United States of America.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September	30 June
	2015	2014
	HK\$	HK\$
Prepayments	–	153,817
Deposits	5,050,000	577,966
Other receivables	77,789,105	58,379,474
Amounts receivable on disposal of available-for-sale investments	52,304,551	94,685,606
	135,143,656	153,796,863
Less: Impairment loss recognised	–	(9,564,235)
	135,143,656	144,232,628
Less: Shown under current assets	(130,143,656)	(106,732,628)
Shown under non-current assets	5,000,000	37,500,000

The movement in the impairment loss of other receivables is as follows:

	<i>HK\$</i>
At beginning and end of Year 2014	9,564,235
Written off during the Period	(9,564,235)
	<hr/>
At 30 September 2015	–
	<hr/> <hr/>

The carrying amounts of prepayment, deposits and other receivables at the end of the reporting period approximated their fair values. As at 30 June 2014, other receivables of HK\$9,564,235 were determined to be impaired. The corresponding receivables have been fully written off during the Period.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Included in other receivables are the following advances to third parties of the Group:

- (a) Margin receivables of HK\$69,428,532 (30 June 2014: HK\$48,004,016) are generated from investment in financial assets at FVTPL, with interest rate ranged from 0.001% to 0.003% (Year 2014: 0.001% to 0.003%) per annum for the Period.
- (b) The outstanding balance due from the purchaser of IIN Network Education (BVI) Limited (“IIN”) is HK\$19,414,718 (30 June 2014: HK\$32,345,512). Pursuant to the agreement signed with the purchaser, the deal to sell IIN was completed on 30 December 2011. The balance is interest-bearing at 5% per annum at 30 September 2015.
- (c) The outstanding balance due from the purchaser of UCCTV Holdings Limited (“UCCTV”) is HK\$19,889,877 (30 June 2014: HK\$38,123,345). Pursuant to the agreement signed with the purchaser, the deal to sell UCCTV was completed on 25 December 2011. The balance is interest-bearing at 5% per annum at 30 September 2015.
- (d) The outstanding balance due from the purchaser of Richbird Holdings Limited (“Richbird”) is HK\$13,000,000 (30 June 2014: HK\$15,500,000). Pursuant to the agreement signed with the purchaser, the deal to sell Richbird was completed on 30 June 2014.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September	30 June
	2015	2014
	HK\$	HK\$
Fair value		
Listed equity securities held for trading,		
– listed in Hong Kong	<u>982,276,147</u>	<u>209,992,210</u>

The fair value of the Group’s equity investments at fair value through profit or loss was determined based on the quoted market bid prices available on the relevant exchanges.

14. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals are payables for acquisition for listed securities (including margin payables) of approximately HK\$245,283,000 as at 30 September 2015 (30 June 2014: approximately HK\$63,357,000).

15. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net asset value of the Group as at 30 September 2015 of HK\$1,333,910,271 (30 June 2014: HK\$686,211,484) and on the number of 1,565,081,441 ordinary shares of HK\$0.005 each in issue as at 30 September 2015 (30 June 2014: 956,395,739 ordinary shares of HK\$0.001 each).

16. EVENT AFTER THE REPORTING PERIOD

On 9 November 2015, the Board proposed for a bonus issue of shares on the basis of 1 bonus share for every 1 existing share held by the shareholders whose names appear on the register of members of the Company on Tuesday, 22 December 2015 (“Record Date”) subject to the memorandum and articles of association of the Company, rank pari passu in all respects with the shares in issue as at the Record Date. The bonus issue was approved at the extraordinary general meeting held on 11 December 2015.

Further details of the bonus issues (including its timetable) are disclosed in the Company’s circular dated 26 November 2015.

17. COMPARATIVE FIGURES

Comparative figures for the consolidated financial statements may not be comparable with that of the Period due to the change of accounting date for the Period mentioned in note 1 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the fifteen months ended 30 September 2015 (the “Period” or “Fiscal Year 2014/15”), the Group reported a turnover of approximately HK\$406.7 million (Year ended 30 June 2014 (“Year 2014”): HK\$136.2 million) and net profit attributable to equity holders of the Company of approximately HK\$297.5 million (Year 2014: HK\$72.6 million). The significant improvement in the Group’s turnover and the net result are principally due to the outstanding performance of listed securities held by the Group. The Group recorded a net profit of investment in listed securities of approximately HK\$397.7 million in the Period (Year 2014: approximately HK\$134.7 million).

As at 30 September 2015, the net asset value (“NAV”) of the Group was approximately HK\$1,333.9 million (30 June 2014: HK\$686.2 million), which represented a significant increase of approximately 94.4% over the Fiscal Year 2014/15. The NAV per share of the Group was HK\$0.8523 (30 June 2014: HK\$0.7175) as at 30 September 2015, which increased by approximately 18.8% during the Period. In addition to the total comprehensive income of approximately HK\$303.5 million, the Company has completed an open offer during the Period, which led to the significant increase in the Group’s net assets.

During the Period, the Company has adopted (i) share consolidation (“Share Consolidation”) on the basis of every five (5) issued and unissued shares of the Company of HK\$0.001 each consolidated into one (1) consolidated share (“Consolidated Share(s)”) of HK\$0.005 each, and (ii) an open offer (“Open Offer”) on the basis of seven (7) Offer Shares for every one (1) Consolidated Share held on 23 June 2015. The subscription price of each Offer Share is HK\$0.25. Owing to the subscription price of Offer Share, which is lower than the NAV per share of HK\$0.7175 as at 30 June 2014, and the effect of Share Consolidation, there was only approximately 18.8% increase in NAV per share over Fiscal Year 2014/15, while the NAV of the Group increased by approximately 94.4% over the same period.

Liquidity and Financial Resources

As at 30 September 2015, the Group held assets of approximately HK\$1,633.6 million (30 June 2014: HK\$751.9 million), including bank balances of HK\$191.5 million (30 June 2014: HK\$147.4 million). As the result from the capital raising exercises as mentioned above, the Group maintained more cash and bank balances as general working capital and for future investment purposes. The Group’s current ratio (as defined by current assets/current liabilities) decreased to 5.6 as at 30 September 2015 from 8.3 as at 30 June 2014, which was still maintained at a healthy level. The Board believes that the Group has sufficient resources to satisfy its working capital requirement.

Capital Structure

Following the Share Consolidation and Open Offer as mentioned above, approximately 1,369.4 million Consolidated Shares were issued during the Period. Together with approximately 21.7 million shares (equivalent to approximately 4.4 million Consolidated Shares) issued upon exercise of warrants, the Company's issued share capital increased from approximately 956.4 million shares of HK\$0.001 each (equivalent to 191.3 million Consolidated Shares) as at 30 June 2014 to approximately 1,565.1 million Consolidated Shares as at 30 September 2015.

Capital Commitment

As at 30 September 2015, the Group had no material commitment.

Contingent Liabilities

As at 30 September 2015, the Group had no material contingent liabilities.

Charge of Assets

As at 30 September 2015, the Group had pledged financial assets at FVTPL of approximately HK\$738.6 million to secure the margin payables.

BUSINESS REVIEW AND PROSPECT

Fiscal Year 2014/15 is an exciting year to investors holding securities listed in Hong Kong. Hang Seng Index moved from 23,191 at the end of June 2014 to the peak of 28,434 in April 2015, but rolled down to the year-low of 20,846 in September 2015. The performance of the Group's listed investments affected significantly accordingly. Even so, the Group has realized certain portion of the listed investments before the stock market crash in the quarter ended 30 September 2015, and net profit on listed investments increased significantly from approximately HK\$134.7 million for the Year 2014 to approximately 397.7 million for the Period.

In contrast to the environment of low interest rate in years before, it is widely expected that, should economic performance in the US remain on track, the Federal Reserve will launch the interest rate normalization sometime in the near future. Accordingly, it is generally believed that US Dollars will continue to appreciate in the year 2015 and coming years. However, sharp depreciation of Renminbi in mid-August this year may cause uncertainties of the pace of the aforesaid interest rate normalization.

Although the gold price maintained low level between approximately US\$1,086 per ounce and US\$1,350 per ounce during the Period, many analysts expected that further significant decrease of the gold price unlikely happen in short to medium terms. This stimulated the bullion trading activities. As such, the performance of the Group's associate – CNI Bullion Limited improved from loss of approximately HK\$56.9 million during the Year 2014 to profit of approximately HK\$2.2 million for the Period shared to the Group.

To diversify the portfolio risk, the Group has acquired three new unlisted investments, details of which are stated in note 11 to the Consolidated Financial Statements above. During the Period, the Group has recorded net decrease in fair value of unlisted investments of approximately HK\$22.3 million, which principally represented loss on change in fair value of the investment in Pure Power Holdings Limited (“Pure Power”) of approximately HK\$21.6 million. Pure Power Group is principally engaged in the exploration and exploitation of natural resources in the United State of America. As the crude oil WTI (NYMEX) price dropped from approximately US\$100 per barrel in June 2014 to approximately US\$40 per barrel in September 2015, our investment in Pure Power Group, decreased by HK\$21.6 million during the Period.

In order to capture the chance of global investment market recovery and the hot wave of small-medium cap stocks in Hong Kong, the Group has successfully raised approximately HK\$338.7 million by way of open offer completed in July 2015. The issue of new shares has contributed the resources to the Group in generating positive income from the Group’s listed investments during the Period.

Looking forward, we expect the global investment environment is more complicated than that in the previous years. The performance for global equity market in near future was expected rather flattish, as Fed rate normalization and potential Renminbi depreciation further kept investors staying risk-averse. We, however, expect the fear of US and Renminbi rates moves will gradually fade very soon. We will continue to adopt cautious measures to manage the Group’s investment portfolio.

CODE OF CORPORATE GOVERNANCE PRACTICE

During the Period, the Company has complied with the code provisions in the Code of Corporate Governance Practice (the “CGP Code”) contained in Appendix 14 to the Listing Rules, except the deviations from the Code as described below:

CGP Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. Decisions of the Company are made collectively by the Executive Directors. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management.

CGP Code provision A.4.1 requires that non-executive directors should be appointed for a specific term and subject to re-election. Currently all Non-executive Directors (including Independent Non-executive Directors) have no specific term of appointment but they are subject to retirement by rotation in accordance with the Articles. As such, the Company considers that sufficient measures have been taken to serve the purpose of this CGP Code provision.

Pursuant to Provision A.6.7 of the CGP Code, independent non-executive directors and other non-executive directors should attend general meetings. Certain Independent Non-executive Directors could not attend all general meetings held in the Period due to other business commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the Period and they all confirmed that they have fully complied with the required standard set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

AUDIT COMMITTEE

The audit committee (“Audit Committee”) of the Board comprises all three Independent Non-executive Directors and is chaired by Mr. Lam Kwan, who possesses extensive financial and accounting experience in commercial sectors. It is responsible for appointment of external auditors, review of the Group’s financial information and oversight of the Group’s financial reporting system and internal control procedures. The Audit Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. The results for the Period have been reviewed by the Audit Committee. It meets regularly to review financial reporting and internal control matters and to this end has unrestricted access to personnel, records and external auditors and senior management.

CHANGE OF FINANCIAL YEAR END DATE

During the Period, the Company changed its financial year end date from 30 June to 30 September in order to align the Company’s financial year end date with that of its principal associate, CNI Bullion Limited which is the Group’s substantial investments. Accordingly, the annual financial period covered a fifteen-month period from 1 July 2014 to 30 September 2015 and the comparatives covered the year ended 30 June 2014.

SCOPE OF WORKS OF MESSRS. CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position and the related notes thereto for the fifteen months ended 30 September 2015 as set out in this announcement have been agreed by the Group's auditors, Messrs. Cheng & Cheng Limited to the amounts set out in the Group's audited consolidated financial statements for the period. The work performed by Messrs. Cheng & Cheng Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Cheng & Cheng Limited in this announcement.

DISCLOSURE OF INFORMATION ON WEBSITES

All the information required by the Listing Rules will be published on the websites of the Stock Exchange and of the Company in due course.

By Order of the Board
Chan Cheong Yee
Executive Director

Hong Kong, 16 December 2015

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

Executive Directors:

Mr. Kong Fanpeng
Mr. Chan Cheong Yee

Independent non-executive Directors:

Mr. Lam Kwan
Mr. Ong Chi King
Mr. Lee Ming Gin