Huge China Holdings Limited
匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 428)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2015

FINANCIAL HIGHLIGHTS

The financial highlights of Huge China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December, 2015 are summarised as follows:

– The Group recorded a profit of HK$331,017,000 in revenue, other revenue, other gains and losses as compared to a loss of HK$20,272,000 in the last year.

– Profit attributable to owners of the Company was HK$316,286,000 as compared to a loss of HK$36,569,000 in the last year.

– The Board does not recommend payment of dividend for the year ended 31st December, 2015 (2014: nil).

– Basic earnings per share was HK$8.10 (2014: loss per share of HK$0.94).

The Board of Directors of the Company (the "Board") announces the consolidated results of the Group for the year ended 31st December, 2015 together with comparative figures for the corresponding year ended 31st December, 2014. The following consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes, including the comparative figures, have been extracted from the Company's audited consolidated financial statements for the year ended 31st December, 2015 which have been prepared in accordance with International Financial Reporting Standards.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December

	Note	2015 HK$'000	2014 HK$'000
Gross proceeds from disposal of trading securities		**137,186**	22,192
Revenue	4	**6,082**	3,478
Other revenue	4	**75**	147
Other gains and (losses)	4	**324,860**	(23,897)
		331,017	(20,272)
Other operating expenses		**(14,339)**	(16,297)
Finance cost	5	**(421)**	–
Profit (Loss) before income tax expense	6	**316,257**	(36,569)
Income tax	7	**29**	–
Profit (Loss) for the year attributable to owners of the Company		**316,286**	(36,569)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Losses on fair value changes on available-for-sale financial assets		**–**	(7,490)
Items reclassified to profit or loss:			
Transfer of fair value gain to profit or loss upon disposal of available-for-sale financial assets		**(1,921)**	(25,754)
Impairment losses on available-for-sale financial assets recognised in profit or loss		**–**	980
Transfer of fair value gain to profit or loss upon disposal of subsidiaries		**(273)**	–
Other comprehensive income for the year		**(2,194)**	(32,264)
Total comprehensive income for the year attributable to owners of the Company		**314,092**	(68,833)
Earnings (Loss) per share			
Basic	8	**HK$8.10**	(HK$0.94)
Diluted		**HK$8.00**	(HK$0.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**157**	309
Available-for-sale financial assets		**–**	3,560
Loans and receivables		**–**	1,859
		157	5,728
Current assets			
Accounts receivable and prepayments	9	**11,580**	86,378
Financial assets at fair value through profit or loss		**444,710**	33,976
Bank balances and cash		**53,749**	54,143
		510,039	174,497
Current liabilities			
Accounts payable and accruals	10	**5,334**	7,376
Net current assets		**504,705**	167,121
Total assets less current liabilities		**504,862**	172,849
Non-current liabilities			
Convertible bonds		**17,681**	–
Net assets		**487,181**	172,849
Capital and reserves			
Share capital		**39,059**	39,059
Reserves		**448,122**	133,790
Total equity		**487,181**	172,849
Net asset value per share		**HK$12.47**	HK$4.43

Notes:

1. GENERAL

Huge China Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Unit 1615, 16/F, Seapower Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS") AND DISCLOSURE REQUIREMENTS OF NEW HONG KONG COMPANIES ORDINANCE

(a) Adoption of new or revised IFRSs – effective 1st January, 2015

In the current year, the Group has applied for the first time the following new and revised standards issued by the International Accounting Standards Board ("IASB"), which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2015:

IFRSs (Amendments)	Annual Improvements 2010 – 2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011 – 2013 Cycle

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New or revised IFRSs that have been issued but are not yet effective

The following new or revised IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

IFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
IFRS 9 (2014)	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Lease[3]

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

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

3 Effective for annual periods beginning on or after 1st January, 2019

4 No mandatory effective date but is available for early adoption

Amendments to IAS 1 – Disclosure Initiative

The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

IFRS 9 (2014) – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

Amendments to IFRS 10, IFRS 12 and IAS 28 (2011) – Investment Entities: Applying the Consolidation Exception

The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

IFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of 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 each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

IFRS 16 – Leases

IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

The Group is in the process of making an assessment of the potential impact of these pronouncements. The directors have so far concluded that the application of these pronouncements will have no material impact on the Group's financial statements.

(c) Disclosure requirements of new Hong Kong Companies Ordinance

The disclosure requirements of the new Hong Kong Companies Ordinance, Cap. 622 will apply to the Company in its first financial year beginning on or after 3rd March, 2014 (i.e. the financial year ending 31st December, 2015).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The statement of financial position of the Company will be presented in the notes rather than a separate statement and the related notes need not be included, while generally the statutory disclosures will be simplified.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRSs issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except that, available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value.

4. REVENUE, OTHER REVENUE AND OTHER GAINS AND (LOSSES)

The Group principally invests in securities listed on recognised stock exchanges and unlisted securities, including equity securities and convertible bonds issued by corporate entities. Revenue, other revenue and other gains and losses recognised during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue:		
Interest income from:		
– bank deposits	**20**	82
– loans receivable and convertible bonds	**6,025**	3,127
Dividend income from:		
– listed investments	**37**	269
	6,082	3,478
Other revenue:		
Service fee income	**–**	147
Sundry income	**75**	–
	75	147

	2015	2014
	HK$'000	*HK$'000*
Other gains and (losses):		
Fair value gains (losses) on financial assets at fair value through profit or loss:		
– trading securities	**281,453**	(23,938)
– derivative financial instruments	**–**	(12,006)
– convertible bonds designated as at fair value through profit or loss	**6,681**	–
Net realised gain on disposal of financial assets at fair value through profit or loss:		
– trading securities	**29,025**	837
Net gain (loss) on financial assets at fair value through profit or loss	**317,159**	(35,107)
Impairment losses on loans and receivables	**–**	(7,957)
Recovery of impairment losses on loans and receivables previously recognised	**500**	–
Impairment losses on accounts receivable	**–**	(5,337)
Net gain (loss) on loans and receivables	**500**	(13,294)
Impairment losses on available-for-sale financial assets:		
– equity investments	**–**	(980)
Realised gain on disposal of available-for-sale financial assets	**3,913**	25,754
Net gain on available-for-sale financial assets	**3,913**	24,774
Net exchange loss on financial instruments not at fair value through profit or loss	**(285)**	(270)
Gain on disposal of subsidiaries	**3,273**	–
Gain on disposal of property, plant and equipment	**300**	–
	324,860	(23,897)

For management purposes, the Group's business activity is organised into one main operating segment, investment holding.

The following table provides an analysis of the Group's revenue, other revenue and other gains and losses by geographical location which is based on the domicile country or place of listing of the investees and counterparties as appropriate:

	2015	2014
	HK$'000	*HK$'000*
Revenue and other revenue		
Hong Kong	**6,157**	2,122
Canada	**–**	764
Other countries	**–**	739
	6,157	3,625

	2015	2014
	HK$'000	*HK$'000*
Other gains and (losses)		
Hong Kong	**324,746**	(1,984)
Canada	**114**	(33,273)
Other countries	**–**	11,360
	324,860	(23,897)

During the year ended 31st December, 2015 and 2014, there is no dividend income from the Group's unlisted investments.

5. FINANCE COST

	2015	2014
	HK$'000	*HK$'000*
Convertible bonds interest	**421**	–

6. PROFIT (LOSS) BEFORE INCOME TAX EXPENSE

Profit (Loss) before income tax expense has been arrived at after charging the following:

	2015	2014
	HK$'000	*HK$'000*
Auditor's remuneration	**200**	680
Management fees	**4,676**	3,328
Contributions to defined contribution plan*	**90**	76
Depreciation of property, plant and equipment	**158**	398
Employee benefits expenses	**2,865**	3,386
Operating leases in respect of land and buildings	**1,955**	1,955

* There was no forfeited contribution in respect of the defined contribution plan available at 31st December, 2015 and 2014 to reduce future contributions. There was no outstanding contribution to the plan at 31st December, 2015 and 2014.

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the years ended 31st December, 2015 and 2014 as the Group has sustained estimated tax losses or has no estimated assessable profit after offsetting tax losses brought forward from prior years.

The directors consider that the Group has no income subject to taxation in other jurisdictions.

8. EARNINGS (LOSS) PER SHARE

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

Earnings (Loss)

	2015	2014
	HK$'000	*HK$'000*
Earnings (Loss) for the purposes of basic earnings (loss) per share	**316,286**	(36,569)
Effect of dilutive potential ordinary shares:		
Interest on convertible bond (net of tax)	**352**	–
Earnings (Loss) for the purposes of diluted earnings (loss) per share	**316,638**	(36,569)

Number of share

	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	**39,059**	39,059
Effect of dilutive potential ordinary shares:		
– convertible bonds	**514**	–
Weighted average number of ordinary shares for the purposes of diluted earnings (loss) per share	**39,573**	39,059

9. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Accounts receivable	**240**	85,649
Interest receivable	**–**	4
Other receivables	**652**	207
Receivables after allowance for impairment losses *(note)*	**892**	85,860
Deposits	**10,350**	364
Prepayments	**338**	154
	11,580	86,378

Note:

The ageing analysis of the receivables (after allowance for impairment losses) based on due date is as follows:

	2015	2014
	HK$'000	*HK$'000*
Balances neither past due nor impaired	**892**	85,860

10. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Accruals and other payables	**5,330**	7,217
Unclaimed dividend payable	**4**	159
	5,334	7,376

The aging analysis of accounts payable is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current	**5,330**	7,217
Over 1 year	**4**	159
	5,334	7,376

11. DISPOSAL OF SUBSIDIARIES

On 19th June, 2015, the Group disposed Plowright Investments Limited and its subsidiaries ("Plowright Group"), which are engaged in investment holding in Hong Kong. The net assets of Plowright Group at the date of disposal were as follows:

	19th June, 2015
	HK$'000
Unlisted investments	**410**
Loan and receivables	**5,759**
Other receivable	**69**
Bank balances	**4**
Other payables	**(760)**
Gain on disposal of subsidiaries	**3,273**
Transfer of fair value gains to profit or loss upon disposal of subsidiaries	**(273)**
Total consideration	**8,482**
Satisfied by:	
Cash	**8,482**
Net cash inflow arising from disposal:	
Cash consideration received	**8,482**
Bank balances disposed of	**(4)**
	8,478

On 19th December, 2014, the Group disposed of two of its subsidiaries, Gwynneth Gold Limited and Techlink Venture Limited, which are engaged in investment holding in Hong Kong. The net assets of Gwynneth Gold Limited and Techlink Venture Limited at the date of disposal were as follows:

	19th December, 2014	
	Gwynneth Gold Limited	Techlink Venture Limited
	HK$'000	*HK$'000*
Listed investments	13,805	542
Unlisted investments	6,196	6,679
Convertible bonds	5,039	–
Other receivables	639	1,124
Bank balances	501	4
Derivative financial instruments	2,378	–
Shareholder's loan	(10,280)	(8,349)
Total consideration	18,278	–
Settlement of shareholder's loan	–	8,349
Total	18,278	8,349
Satisfied by:		
Cash	5,000	8,349
The balance of consideration *(note)*	13,278	–
	18,278	8,349
Net cash inflow arising from disposal:		
Cash consideration received	5,000	–
Settlement of shareholder's loan	–	8,349
Bank balance disposed of	(501)	(4)
	4,499	8,345

Note: The consideration has been settled in cash by stage payments by the purchaser on or before 28th May, 2015.

12. DIVIDEND

The Board does not recommend the payment of any dividend for the years ended 31st December, 2015 and 2014.

13. SUBSEQUENT EVENT

Following the Company's announcement on 29th February, 2016, the Company entered into the Termination Agreement with the Original Investment Manager, Harmony Asset Management Limited, to mutually terminate the Original Investment Management Agreement and release each other from all future and further obligations under the Original Investment Management Agreement effective from 1st March, 2016.

The Company entered into the New Investment Management Agreement with Tiger Securities Asset Management Company Limited ("Tiger Securities"), pursuant to which Tiger Securities has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of two years commencing from 1 March 2016 and expiring on 28 February 2018.

Pursuant to the New Investment Management Agreement, Tiger Securities shall be entitled to a management fees of 0.5% per annum on the Net Asset Value as per the management account of the Company of the preceding month with an annual cap of HK$1,800,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31st December, 2015, the Group recorded a revenue of HK$6,082,000 as compared to HK$3,478,000 in the prior year, representing a increase of 75%. The increment in revenue was due to higher interest income received during the year. The Group recorded a realised gain of HK$29,025,000 (2014: HK$837,000) on listed securities. With the impact of favourable performance of certain publicly traded securities held by the Group during the year, the Group posted an aggregate profit of HK$331,017,000 with the inclusion of revenue, other revenue, other gains and losses as compared to a loss of HK$20,272,000 in the prior year.

After deducting of finance cost and other operating expenses totaling to HK$14,760,000 (2014: HK$16,297,000), the Group recorded a profit before income tax expense of HK$316,257,000 as compared to a loss of HK$36,569,000 in the prior year. Profit attributable to owners of the Company was HK$316,286,000 as compared to a loss of HK$36,569,000 in 2014.

On 19th August, 2015, the Company issued convertible bonds (the "CB") in the aggregate principal amount of HK$17,500,000. The maturity date is the second anniversary of the date of the issue of CB. Based on the initial conversion price HK$12.5 per conversion share, a maximum of 1,400,000 conversion shares will be allotted and issued upon exercise of conversion right attaching to the placed convertible bonds in full. The proceeds from the CB will be utilised as financing future investment opportunities and/or as general working capital of the Group. Details of the issue of CB are set out in the relevant announcements made by the Company in July and August 2015.

On 29th June, 2015, the English name of the Company had been changed from "Harmony Asset Limited" to "Huge China Holdings Limited" and the Chinese name of the Company "匯嘉中國控股有限公司" had been adopted as the dual foreign name of the Company to replace the Chinese name "亨亞有限公司" (which was adopted for identification purpose only) and both the new English and Chinese names of the Company had been registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 22nd July 2015.

On 14 April 2015, the authority in the province of Ontario had decided that the Company was not a reporting issuer under the applicable Canadian securities laws. As a result, the Company was no longer subject to Canadian filing and disclosure requirements (including publication of its quarterly results) in addition to those applicable under the laws of other jurisdictions and the requirements of The Stock Exchange of Hong Kong Limited.

PROSPECTS AND FUTURE PLANS

The year 2015 was quite a volatile year for investing in the listed securities both Hong Kong and China. Hong Kong stock market, followed by the Mainland stock market jumped to the seven years peak in April 2015. However, Hang Seng Index suffered a big fall to the year-low in September 2015 as a result of the Mainland stock market crash.

In December 2015, The U.S. Federal Reserve made an announcement to raise its interest rates by 0.25 percentage points creating an unprecedented increase in almost a decade. This move indicated the end of near-zero interest rate regime and it is expected that with US normalising its interest rate cycle in coming future, U.S. currency will be strengthened, triggering a capital outflow from Hong Kong stock market. It also affect the Hong Kong Stock market and even the overall economy.

The Mainland stock market crash in August 2015 undeniably had a snowball effect on economies across the world. The economic slowdown in China was a key concern to the world. China's economic growth fell from 6.9% in the third quarter to 6.8% in the fourth quarter in 2015. In 2015, on the whole in China, its GDP had increased to 6.9%. It had been the slowest pace since 1990 but still stayed within range of the government's target "approximately 7.0%". The Chinese currency (CNY) remains under pressure due to strong capital outflows and it is estimated to impact the health of the China's economy.

The Group expects the stock market and economy of China will continue to struggle between continuation of uncertainty in 2016 after the Mainland stock market crash and economy slowdown. China is the top principal trading partner of Hong Kong, so its economy will definitely affect the Hong Kong's economy. Nevertheless, China still is a big market with rapid growth. The Group will continue to focus on listed securities, private equity funds, real property projects and private enterprises with potential prospect. It will also seek opportunities to invest in China, Hong Kong and overseas thereby implement its risk management policy with an aim to achieve stable returns on investments for the shareholders of the Company.

Financial review

Liquidity and financial resources

As at 31st December, 2015, the Group had available funds of HK$53,749,000 which were mainly placed in banks as general working capital. Cash and bank balances held by the Group were mainly denominated in Hong Kong dollars.

The Group had shareholders' funds of HK$487,181,000 at 31st December, 2015 compared to HK$172,849,000 at 31st December, 2014, a significant increase of approximately 178%.

As at 31st December, 2015, the Group had no borrowing (2014: nil). The gearing ratio for the Group was 0% (2014: 0%) which represents the ratio of the Group's borrowings to the net asset value of the Group.

The Group did not have any capital expenditure commitment as at 31st December, 2015.

Capital Structure

There was no significant change in the Group's capital structure for the year ended 31st December, 2015.

During the year, no share options were granted, exercised, lapsed or cancelled under the share option scheme, adopted by the Company at annual general meeting on 28th June, 2005. The share option scheme expired on 27th June, 2015.

Significant investments held and their performance

For the year ended 31st December, 2015, the Group recorded a revenue of HK$6,082,000 as compared to HK$3,478,000 in the prior year, representing a increase of approximately 75%. The increment in revenue was due to higher interest income received from unlisted investment during the year.

The Group recorded a realised gain of HK$29,025,000 (2014: HK$837,000) on listed securities. With the impact of favourable performance of certain publicly traded securities held by the Group during the year, the Group recorded an unrealised gain of HK$281,453,000 (2014: unrealized loss of HK$35,944,000) on its publicly traded securities and the derivative financial instruments.

Impairment losses of HK$0 (2014: HK$7,957,000) and HK$0 (2014: HK$980,000) were made on loans and receivables and an unlisted investment respectively. Recovery of impairment loss on loans and receivables was HK$500,000 (2014: HK$0). Realised gain on disposal of unlisted investments was HK$3,913,000 (2014: HK$25,754,000). As a result, the Group posted an aggregate profit of HK$331,017,000 with the inclusion of revenue, other revenue, other gains and losses as compared to a loss of HK$20,272,000 in the prior year.

For the year ended 31st December, 2015, the total operating expenses was HK$14,339,000 (2014: HK$16,297,000). For the year ended 31st December, 2015, the profit before income tax expense was HK$316,257,000 as compared to a loss of HK$36,569,000 in the prior year. Profit attributable to owners of the Company was HK$316,286,000 as compared to a loss HK$36,569,000 in 2014.

As at 31st December, 2015, the Group's unlisted investments (comprised of available-for-sale financial assets ("AFS") and loans and receivables) were HK$95,000,000 (2014: HK$5,419,000). The increase in value of unlisted investments comprised the following activities: (1) disposal of AFS of HK$5,419,000; and (2) assignment of loans to investees of HK$95,000,000 to third parties.

As at 31st December, 2015, accounts receivable and prepayments was HK$11,580,000 (2014: HK$86,378,000). The net decrease was the result of (1) repayment of total amount of HK$85,880,000 due from last year; and (2) a net increase in other receivables, deposits and prepayment of HK$11,082,000.

As at 31st December, 2015, the Group held trading securities of HK$337,069,000 (2014: HK$33,976,000). The increase was primarily due to: (1) purchases of trading securities for an aggregate amount of HK$129,801,000; (2) the disposals of certain trading securities which had an aggregate amount of HK$137,186,000; (3) net realised gain on disposals of trading securities of HK$29,025,000; and (4) fair value gain on trading securities of HK$281,453,000.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st December, 2015, the Group employed a total of 4 full-time employees, including the executive directors of the Company. Employees' remuneration are fixed and determined with reference to the market remuneration.

The remuneration policy of the Company for non-executive directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company and that for the employees, including the executive directors and senior management, is to ensure that the remuneration offered is appropriate for the duties and in line with market practice. The remuneration policy is to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. No director, or any of his associates, or executive is involved in deciding his own remuneration.

The key components of the Company's remuneration package include basic salary plus other allowances, discretionary cash bonus and mandatory provident fund. As a long-term incentive plan and with the aim at motivating employees in the continued pursuit of the Company's goal and objectives, the Company may grant share options to subscribe for shares of the Company to the employees (including directors) of the Company based on their performance and contribution to the Company under the Company's share option scheme (if any).

EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not employ any financial instruments to hedge such exposures.

CONTINGENT LIABILITIES

As at 31st December, 2015, the Group had no significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company did not redeem any of its listed shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year.

CORPORATE GOVERNANCE

The Company had met the relevant code provisions set out in the Corporate Governance Code (the "Code") based on the principles set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange during the year, except the following deviation:

Code provision A.2.1 of the Code provides that the roles and responsibilities of chairman and chief executive officer should be separated.

Following the retirement of Mr. Lee Fong Lit, the ex-chairman of the Board at the annual general meeting held on 26th June, 2015, the chairman of the Board had not been filled until the position has been filled by Mr. Chau Wai Hing ("Mr. Chau") on 1st July, 2015. Mr. Chau takes the responsibilities of the chairman as specified in the Code on overall strategic planning and development of the Group and effective functioning of the Board.

The Chief Executive Officer of the Company has been vacant following the resignation of Dr. Chow Pok Yu Augustine on 26th May, 2015. Until the appointment of new chief executive officer, the executive directors of the Company continue to oversee the day-to-day management of the business and operations of the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the annual results for the year ended 31st December, 2015.

SCOPE OF WORK OF EXTERNAL AUDITOR

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31st December, 2015 have been agreed by the Company's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31st December, 2015. The work performed by Elite Partners CPA 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 Elite Partners CPA Limited on the preliminary announcement.

By Order of the Board
Huge China Holdings Limited
Chau Wai Hing
Chairman

Hong Kong, 30th March, 2016

As at the date hereof, the Board comprises three executive directors, namely Mr. Chau Wai Hing, Mr Chu To Jonathan and Mr. Wu Ming Gai; two non-executive directors, namely Mr. Mak Hing Keung Thomas and Mr. William Keith Jacobsen; and three independent non-executive directors, namely Mr. Wong Ching Wan, Mr. Sio Chan In Devin and Mr. Law Siu Hung Paul.