China Bio Cassava Holdings Limited
中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8129)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

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

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

HIGHLIGHTS OF THE YEAR

The Group recorded a turnover of HK$7,322,000 for the year ended 31 December 2015, representing a decrease of 19.7% from the previous year.

The Group recorded loan interest income of HK$3,313,000 from provision of financing services for the year ended 31 December 2015, representing a decrease of 32.7% from the previous year (2014: HK$4,920,000).

The Group recorded revenue of HK$1,462,000 from sales and licensing of software and embedded systems through online platform for the year ended 31 December 2015, representing an increase of 37.7% from the previous year (2014: HK$1,062,000).

Packaged software sales for the year ended 31 December 2015 was HK$2,547,000, representing a decrease of 18.8% from the previous year (2014: HK$3,136,000).

The Group's total operating expenses in 2015 decreased by HK$1,704,000, representing a decrease of 9.8% from the previous year. The decrease is primarily attributable to the result of adopting more tightened cost policies for the Group.

The Group recorded a net loss attributable to owners of the Company for the year ended 31 December 2015 for HK$7,132,000 (2014: HK$25,922,000). Loss per share attributable to the owners of the Company for the year ended 31 December 2015 was HK0.29 cent (loss per share for the year ended 31 December 2014: HK1.04 cents).

RESULTS (AUDITED)

The board of directors (the "Board") of China Bio Cassava Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015, together with the audited comparative figures for the year ended 31 December 2014 as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Revenue	3		
– Interest income		**3,313**	4,920
– Sales and licensing of software and embedded systems		**4,009**	4,198
		7,322	9,118
Cost of sales		**(122)**	(146)
Gross profit		**7,200**	8,972
Interest income		**5**	3
Other income		**25**	17
Reversal of impairment loss in respect of loan and interest receivables		**1,797**	47
Selling and distribution expenses		**(1,141)**	(1,232)
Research and development expenses		**(2,115)**	(2,738)
General and administrative expenses		**(12,345)**	(13,335)
Equity-settled share based payments		**–**	(17,398)
Loss before taxation		**(6,574)**	(25,664)
Income tax expense	4	**(558)**	(258)
Loss for the year	5	**(7,132)**	(25,922)
Loss per share			
– Basic (HK cents)	6	**(0.29)**	(1.04)
– Diluted (HK cents)		**N/A**	N/A

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(7,132)**	(25,922)
Other comprehensive expense, net of income tax		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences arising on translation of foreign operations	**(91)**	(3)
Total comprehensive expense for the year	**(7,223)**	(25,925)
Total comprehensive expense attributable to owners of the Company	**(7,223)**	(25,925)

Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**276**	392
Loan and interest receivables – non-current portion	9	**1,912**	6,000
Intangible assets		**–**	–
Deferred tax asset		**–**	289
Goodwill		**609**	609
		2,797	7,290
CURRENT ASSETS			
Inventories		**61**	38
Financial assets at fair value through profit or loss		**102**	102
Trade and other receivables	8	**1,112**	1,146
Loan and interest receivables – current portion	9	**17,714**	11,932
Bank balances and cash		**14,955**	22,693
		33,944	35,911
CURRENT LIABILITIES			
Trade and other payables	10	**2,174**	2,639
Income tax liability		**600**	547
Amounts due to directors		**2,241**	1,066
		5,015	4,252
NET CURRENT ASSETS		**28,929**	31,659
NET ASSETS		**31,726**	38,949
CAPITAL AND RESERVES			
Share capital		**24,822**	24,822
Reserves		**6,904**	14,127
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**31,726**	38,949

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital HK$'000	Reserves: Share premium HK$'000	Share options reserve HK$'000	Capital redemption reserve HK$'000	Warrant reserve HK$'000	Reorganisation reserve HK$'000 (Note below)	Foreign currency translation reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Total HK$'000
At 1 January 2014	24,809	162,957	50,286	37	–	3,000	(143)	(200,612)	15,525	40,334
Loss for the year	–	–	–	–	–	–	–	(25,922)	(25,922)	(25,922)
Other comprehensive expense for the year, net of income tax	–	–	–	–	–	–	(3)	–	(3)	(3)
Total comprehensive expense for the year	–	–	–	–	–	–	(3)	(25,922)	(25,925)	(25,925)
Placement of warrants	–	–	–	–	7,443	–	–	–	7,443	7,443
Transactions cost attributable to issue of warrants	–	–	–	–	(491)	–	–	–	(491)	(491)
Recognition of equity-settled share based payments	–	–	17,398	–	–	–	–	–	17,398	17,398
Exercise of share options	13	286	(109)	–	–	–	–	–	177	190
Lapsed of share options	–	–	(1,791)	–	–	–	–	1,791	–	–
At 31 December 2014	24,822	163,243	65,784	37	6,952	3,000	(146)	(224,743)	14,127	38,949
Loss for the year	–	–	–	–	–	–	–	(7,132)	(7,132)	(7,132)
Other comprehensive expense for the year, net of income tax	–	–	–	–	–	–	(91)	–	(91)	(91)
Total comprehensive expense for the year	–	–	–	–	–	–	(91)	(7,132)	(7,223)	(7,223)
At 31 December 2015	**24,822**	**163,243**	**65,784**	**37**	**6,952**	**3,000**	**(237)**	**(231,875)**	**6,904**	**31,726**

Note: The amount represented the reserve arising from group reorganisation of the Company during the year ended 31 December 2000.

Notes:

1. GENERAL INFORMATION

The shares of the Company are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the computer software and embedded systems development, sales and licensing of the software and systems, development of biotech renewable energy and the provision of financing services.

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

Application of new and revised HKFRSs and HKASs

The Group has applied the following amendments to HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

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

The application of the amendments to HKFRSs and HKASs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs and HKASs in issued but not yet effective

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

HKFRS 9	Financial Instruments[2]
HKFRS 14	Regulatory Referral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
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	Equity Method in Separate Financial Statements[1]
Amendments to HKAS 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 Exception[1]
Annual Improvements Project	Annual Improvements to HKFRSs 2012-2014 Cycle[1]

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

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

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9:

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

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

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

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

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

HKFRS 15 Revenue from Contracts with Customers

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

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

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

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

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

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

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 *Presentation of Financial Statements* give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets (other than brand name) respectively. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- At cost

- In accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9), or

- Using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial reporting Standards*.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments to HKFRS 10 *Consolidated Financial Statements*, HKFRS 12 *Disclosure of Interests in Other Entities* and HKAS 28 *Investments in Associates and Joint Ventures* clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The Directors do not anticipate that the application of these amendments to HKFRS 10, HKFRS 12 and HKAS 28 will have a material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Other than the above, the Directors do not anticipate that the application of the other new and amendment to HKFRSs will have any significant impact on the Group's financial results and financial position.

3. REVENUE AND SEGMENT INFORMATION

i. Revenue

Revenue represents the amounts received and receivables that are derived from sales of goods to customers and interest income from provision of financing services during the year.

An analysis of the Group's revenue by major products and services for the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Sales and licensing of software and embedded systems through packaged software	**2,547**	3,136
Sales and licensing of software and embedded systems through online platform	**1,462**	1,062
Interest income	**3,313**	4,920
	7,322	9,118

ii. Segment information

Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance, focus on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

(a) Sales and licensing of software and embedded systems

(b) Development of biotech renewable energy

(c) Provision of financing services

a. **Segment revenue and results**

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

	Sales and licensing of software and embedded systems		Development of biotech renewable energy		Provision of financing services		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue								
External sales	**4,009**	4,198	**–**	–	**3,313**	4,920	**7,322**	9,118
Result								
Segment results	**240**	523	**(725)**	(1,437)	**2,846**	1,149	**2,361**	235
Interest income							**5**	3
Other income							**21**	17
Unallocated expenses							**(8,961)**	(25,919)
Loss before taxation							**(6,574)**	(25,664)

Revenue reported above represents revenue generated from external customers.

There were no inter-segment sales during the years ended 31 December 2015 and 31 December 2014.

The accounting policies of the above operating segments are the same as the Group's accounting policies. Segment results represented the profit earned by or loss from each segment without allocation of certain administration costs, directors' emoluments, interest income and other items not directly related to the relevant segments. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

b. **Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Sales and licensing of software and embedded systems		Development of biotech renewable energy		Provision of financing services		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**2,732**	2,284	**263**	788	**30,601**	35,361	**33,596**	38,433
Unallocated assets							**3,145**	4,768
Total consolidated assets							**36,741**	43,201
Segment liabilities	**1,511**	1,434	**409**	212	**793**	802	**2,713**	2,448
Unallocated liabilities							**2,302**	1,804
Total consolidated liabilities							**5,015**	4,252

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

- All assets are allocated to operating segments other than certain property, plant and equipment, prepayments, deposits and other receivables and bank balances and cash.

- All liabilities are allocated to reportable and operating segments other than certain other payables and amounts due to directors.

c. **Other information**

Amounts included in the measurement of segment profit or loss or segment assets:

	Sales and licensing of software and embedded systems		Development of biotech renewable energy		Provision of financing services		Unallocated		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation of property, plant and equipment	**10**	12	**–**	23	**5**	4	**103**	103	**118**	142
Additions of property, plant and equipment	**2**	16	**–**	–	**–**	5	**–**	11	**2**	32
Reversal of impairment losses recognised in respect of inventories	**(5)**	(5)	**–**	–	**–**	–	**–**	–	**(5)**	(5)
Reversal of impairment losses recognised in respect of trade and other receivables	**–**	–	**–**	–	**(1,797)**	(47)	**–**	–	**(1,797)**	(47)
Impairment losses recognised in respect of trade and other receivables	**–**	–	**–**	–	**886**	1,931	**–**	–	**886**	1,931
Written off of obsolete inventories	**1**	–	**–**	–	**–**	–	**–**	–	**1**	–
Equity-settled share-based payments	**–**	–	**–**	–	**–**	–	**–**	17,398	**–**	17,398

Amount regulatory provided to the CODM but not included in the measure of segment profit or loss or segment assets is immaterial.

d. **Geographical information**

For the years ended 31 December 2015 and 2014, all of the Group's revenue and non-current assets are derived from customers and operations based in Hong Kong, and accordingly, no further analysis of the Group's geographical information is disclosed.

e. Information about major customers

The following table sets forth a breakdown of the Group's customers individually accounted for over 10% of the Group's total revenue during the year:

	Reportable and operating segments	2015	2014
		HK$'000	*HK$'000*
Customer A	Sales and licensing of software and embedded systems	**805**	N/A*
Customer B	Provision of financing services	**N/A***	1,020
Customer C	Provision of financing services	**866**	N/A*
Customer D	Provision of financing services	**769**	N/A*

* *The corresponding revenue did not contribute over 10% of the total revenue of the Group.*

4. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**319**	540
– (Over) under-provision in prior year	**(50)**	7
	269	547
Deferred tax		
– Current year	**289**	(289)
	558	258

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years.

No profits taxes have been provided for the subsidiaries which are operating outside Hong Kong as these subsidiaries have not generated any assessable profits in the respective jurisdictions.

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2015	2014
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments)		
– Salaries and other benefits	**9,632**	9,699
– Share-based payments	**–**	867
– Discretionary bonuses	**295**	80
– Retirement benefit scheme contributions	**298**	288
	10,225	10,934
Cost of inventories recognised as expenses *(Note below)*	**122**	146
Auditor's remuneration	**390**	380
Depreciation of property, plant and equipment	**118**	142
Minimum lease payments paid under operating leases	**1,581**	1,699
Impairment losses recognised in respect of loan and interest receivables	**886**	1,931

Note: During the year ended 31 December 2015, the cost of inventories recognised as expenses included reversal of impairment losses recognised in respect of inventories of approximately HK$5,000 (2014: HK$5,000) and written off of obsolete inventories of approximately HK$1,000 (2014: Nil).

6. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the consolidated loss for the year attributable to the owners of the Company of approximately HK$7,132,000 (2014: HK$25,922,000) and the weighted average of 2,482,150,000 ordinary shares (2014: 2,481,284,000 ordinary shares) of the Company in issue during the year.

Diluted loss per share for the years ended 31 December 2015 and 31 December 2014 are not presented because the exercise of the outstanding share options and warrants would have anti-dilutive effect on the basic loss per share.

7. DIVIDENDS

No dividend was paid or proposed for the ordinary shareholders of the Company during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

8. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**332**	440
Less: Allowances	**–**	–
	332	440
Prepayments	**270**	232
Deposits	**465**	432
Other receivables	**45**	42
	780	706
Total trade and other receivables	**1,112**	1,146

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer's quality and determining the credit limits for that customer.

The Group generally allows an average credit period of 0 – 30 days to its customers. The aging analysis of the Group's trade receivables presented based on invoice date as at the end of the reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**255**	313
31 – 90 days	**77**	127
	332	440

Aging of trade receivables which are past due but not impaired are as follows:

	2015	2014
	HK$'000	*HK$'000*
31 – 90 days	**77**	127

The Group did not provide any allowance on the past due receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable based on the historical experience. The Group does not hold any collateral over these balances.

9. LOAN AND INTEREST RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Personal loans	**–**	7,294
Mortgage loans	**20,512**	12,569
	20,512	19,863
Less: Allowances	**(886)**	(1,931)
Loan and interest receivables (including interest receivables of HK$89,000 (2014: HK$165,000))	**19,626**	17,932
Analysed for reporting purposes as:		
Current assets	**17,714**	11,932
Non-current assets	**1,912**	6,000
	19,626	17,932

The loan receivables from customers bore fixed interest rate ranging from 1.5% to 1.83% per month (2014: 1.42% to 2.5%) and were repayable according to the terms of the loan agreements. Included in the gross balances are loans of approximately HK$20,512,000 (2014: HK$12,569,000) which are secured by real estates in Hong Kong.

The maturity profile of these loan receivables from customers (including interest receivables), net of impairment losses recognised, at the end of reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Less than 3 months	**3,632**	8,922
Over 3 months but less than 1 year	**14,082**	3,010
Over 1 year but less than 3 years	**1,912**	6,000
	19,626	17,932

The loan receivables from customers have been reviewed by the management of the Company to assess impairment allowances which are based on the evaluation of collectability, aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection statistics of individually significant accounts or a portfolio of accounts on a collective basis.

The movements of allowance for impairment during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
As at 1 January	**1,931**	242
Reversal during the year	**(1,797)**	(47)
Written off during the year	**(134)**	(195)
Impairment losses recognised during the year	**886**	1,931
As at 31 December	**886**	1,931

During the year ended 31 December 2015, impairment loss on loan receivables from customers (including interest receivables) of approximately HK$886,000 (2014: HK$1,931,000) was recognised in the consolidated statement of profit or loss after proper review by the management of the Company, based on the latest available information about the loan customers and the underlying collateral held, if any.

The following is an aging analysis for the loan receivables from customers (including interest receivables), net of impairment losses recognised, that were past due at the end of the reporting period but not impaired, analysed by the remaining periods to their contracted maturity, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Less than 3 months	**3,544**	1,757

The loan receivables from customers (including interest receivables) that were past due but not impaired related to a wide range of customers and the management of the Company consider that, taking into account of the impairment loss recognised, no additional impairment is necessary in respect of these balances as there has not been a significant change in credit quality and/or the balances are considered fully recoverable.

The Directors consider that the fair value of the Group's loan and interest receivables, determined based on the present value of the estimated future cash flows discounted using the applicable interest rate at the end of reporting period, approximates to the carrying amount of the loan and interest receivables.

10. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**11**	–
Other payables and accrued expenses	**2,163**	2,639
	2,174	2,639

The average credit period on purchases of goods is 30 days (2014: 30 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an aging analysis of the Group's trade payables presented based on invoice date as at the end of the reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**11**	–

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS

The consolidated turnover of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 amounted to HK$7,322,000, representing a decrease of 19.7% from the previous year. Loss attributable to owners of the Company for the year 2015 was HK$7,132,000 (2014: HK$25,922,000). The loss per share was HK0.29 cent (2014: HK1.04 cents).

REVIEW OF OPERATIONS

The Group continuously promotes and strengthens its market position in both provision of financing services and sales and licensing of software and embedded systems. However, economic downturns in retail and property market from second half of 2015 had negative effects to the Group's turnover and profitability. Although experiencing 4.5% decrease in sales and licensing of software and embedded systems, the launch of Q9 application in Apple iOS operating systems and Android operating system considered satisfactory since it represented a new era for the Group by entering the market in smartphone and tablet computers.

Since the Group has been focusing on property mortgage financing services, the interest income was adversely affected by the sluggish property market since second half of 2015. The interest income for the year had dropped 32.7%. A more tightened credit policies had also led to the decrease in interest income as the management's top concern would be minimizing the credit risk that the businesses would face. Managing credit risk has been challenging in property mortgage industry and the management has been enhancing the credit policies in order to improve the quality of our customers. In addition, our staffs served the customers more closely which led to a prompt response to changes in customers' behavior. A HK$1,797,000 reversal of provision of bad debt was an evidence of the improvement that the Group had made in regards to managing credit and business risks.

In 2015, the Group's total operating expenses decreased by HK$1,704,000 compared with 2014, representing a decrease of 9.8% from the previous year. Due to the uncertainty and ineffectiveness in development of biotech renewable energy, the Group has successfully minimized the cost of research and development of biotech renewable energy.

PROSPECTS

Economic experts emphasize that global economy will experience a downturn which led to inevitable downturns in retail industry and property market in Hong Kong for 2016. The level of the adverse effects are remained to be seen with all the uncertainties in economy surrounding the businesses. The management of the Group will closely monitor the businesses and prompt response will be made with the changes in market conditions. Improving credit risk assessment and balancing between the risks and benefits are the priorities for the management of the Group. Even a challenging business environment is anticipated, the Group will provide all necessary resources and supports for obtaining growth in profitability in financing services. The Group will also continue its marketing effort in promoting Q9 CIS & Qcode CIS to institutional customers and end users. New Qcode product is expected to launch in the first half of 2016. In addition, the Group will further minimize the cost of research and development in biotech renewable energy.

Currently, the Group does not have any commitment or future plans for material investments and capital assets.

COMMITMENTS

The Group has no credit facilities and no borrowing outstanding as at 31 December 2015 (2014: Nil).

(a) Capital commitments

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

(b) Commitments under operating leases

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**1,556**	790
In the second to the fifth years, inclusive	**472**	402
	2,028	1,192

(c) Other commitment

At 31 December 2015, the Group had no other commitment (2014: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group has no interest bearing debt. The Group relies on its internal resources, the net proceeds from the placing of new shares and issue of warrants as the sources of funding. The Group keeps most of its cash in Hong Kong dollars in the bank accounts and a minimum amount of cash in Renminbi in the bank account of its subsidiaries in the PRC as working capital of the Group.

There was no borrowings on the Group's assets as at 31 December 2015 (2014: Nil).

The Group had no debt as at 31 December 2015 (2014: Nil).

The gearing ratio of the Group, based on total borrowings to shareholder's equity, was nil as at 31 December 2015 (2014: Nil).

ORDER BOOK

Due to the nature of the Group's business, the Group does not maintain an order book.

INVESTMENT

There was no significant investment made during the year ended 31 December 2015.

ACQUISITION, DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisition and disposal of subsidiaries or affiliated companies for the year ended 31 December 2015 (2014: Nil).

HUMAN RESOURCES

Staff number

As at 31 December 2015, the Group employed 32 staff (2014: 38). Total staff costs, including directors' emoluments were approximately HK$10.2 million for the year ended 31 December 2015 as compared with those of approximately HK$10.9 million in 2014.

Remuneration policies

The Group remunerated its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to the eligible staff by reference to the Group's performance as well as individual's performance.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any commitment or future plans for material investments and capital assets.

HEDGING POLICY

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2015 (2014: Nil).

CREDIT POLICY

The credit terms given to customers are generally based on the financial strengths of individual customers. The Group generally allows an average credit term of 0-30 days to its trade customers.

SEGMENTAL INFORMATION

Details of the segmental information are set out in Note 3 to this announcement.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year ended 31 December 2015. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 December 2015.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of the directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors for the year ended 31 December 2015.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance. Maintaining a good and solid framework of corporate governance will ensure the Company to run its business in the best interests of the shareholders. Throughout the year ended 31 December 2015 under review, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Audit Committee, with written terms of reference in compliance with code provision C.3.3 of the Code as set out in Appendix 15 of the GEM Listing Rules, currently comprises three independent non-executive directors, namely Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Tse On Kin. Mr. Chow Wing Tung is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal control procedures. The Group's audited annual results has been reviewed by the Audit Committee together with management, which was of the opinion that the preparation of such results were complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

REVIEW OF ANNUAL RESULTS

The Group's audited annual results for the year ended 31 December 2015 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF ZHONGLEI (HK) CPA COMPANY LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement have been agreed by the Group's auditor, ZHONGLEI (HK) CPA Company Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGLEI (HK) CPA Company 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 HKICPA and consequently no assurance has been expressed by ZHONGLEI (HK) CPA Company Limited on this announcement.

On behalf of the Board
China Bio Cassava Holdings Limited
Kwan Kin Chung
Managing Director

Hong Kong, 18 March 2016

As at the date of this announcement, the Board comprises Mr. Kwan Kin Chung, Mr. Yu Huaguo, Mr. Poon Yu Keung and Mr. Hung Ching Fung as executive directors, Mr. Leung Lap Yan as non-executive director, Mr. Tse On Kin as Chairman and independent non-executive director and Mr. Chow Wing Tung and Mr. Ko Wai Lun Warren as independent non-executive directors.

This announcement will remain on the GEM website at http://www.hkgem.com on the "latest company announcement" page for at least 7 days from the day of its posting and on the Company's website at www.bio-cassava.com.