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 2014

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.

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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 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$9,118,000 for the year ended 31 December 2014, representing an increase of 55.1% from the previous year.

The Group recorded HK$4,920,000 of interest income for the year 2014, derived from provision of financing services which commenced in the third quarter of 2013. Since year 2014 is the first full year operation for provision of financing services, interest income for the year 2014 recorded an increase of 198% from the previous year. Q9 CIS and Qcode CIS package sales and software licensing revenue to institution customers for the year 2014 and sales of third party products are similar with previous year.

The Group's total operating expenses in 2014 increased by HK$2,754,000, representing an increase of 18.9% from the previous year. The increase was mainly attributable to the increase in general and administrative expenses of HK$2,994,000 as a result of first full year operation in provision of financing services business segment which commenced in the third quarter of 2013.

On 10 January 2014, the Company granted share options to subscribe for an aggregate of 248,090,000 ordinary shares of HK$0.01 each in the capital of the Company to certain eligible participants. The share-based payment regarding to the granted share options amounted to HK$17,398,000.

On 9 May 2014, the Company entered into the Warrant Subscription Agreements in relation to the warrant subscription of 496,180,000 unlisted warrants at an issue price of HK$0.015 per warrant conferring rights to subscribe for 496,180,000 ordinary shares of the Company at an initial subscription price of HK$0.16 per share. The warrant subscription was completed on 22 May 2014 and the net proceeds from the placing of 496,180,000 unlisted warrants amounted to HK$6,952,000.

The Group recorded a net loss attributable to owners of the Company for the year 2014 of HK$25,922,000 (2013: HK$8,884,000). The loss per share was HK1.04 cents (2013: HK0.36 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 2014, together with the audited comparative figures for the year ended 31 December 2013 as follows:

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Revenue	4		
– Interest income		**4,920**	1,649
– Other income		**4,198**	4,229
		9,118	5,878
Cost of sales		**(146)**	(150)
Gross profit		**8,972**	5,728
Interest income		**3**	6
Other income, gains and losses		**64**	(67)
Selling and distribution expenses		**(1,232)**	(1,314)
Research and development expenses		**(2,738)**	(2,896)
General and administrative expenses		**(13,335)**	(10,341)
Equity-settled share based payment		**(17,398)**	–
Loss before taxation		**(25,664)**	(8,884)
Income tax expense	5	**(258)**	–
Loss for the year	6	**(25,922)**	(8,884)
Loss per share	7		
– Basic (HK cents)		**(1.04)**	(0.36)
– Diluted (HK cents)		**N/A**	N/A

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(25,922)**	(8,884)
Other comprehensive (expense) income, net of income tax		
Items that may be reclassified subsequently to profit and loss:		
Exchange differences arising on translation of foreign operations	**(3)**	2
Total comprehensive expense for the year	**(25,925)**	(8,882)
Total comprehensive expense attributable to owners of the Company	**(25,925)**	(8,882)

Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**392**	502
Trade and other receivables – non-current portion	9	**6,000**	6,500
Intangible assets		**–**	–
Deferred tax asset		**289**	–
Goodwill		**609**	609
		7,290	7,611
CURRENT ASSETS			
Inventories		**38**	54
Financial assets at fair value through profit or loss		**102**	525
Trade and other receivables	9	**13,078**	19,306
Bank balances and cash		**22,693**	15,425
		35,911	35,310
CURRENT LIABILITIES			
Other payables and accrued expenses		**2,639**	2,031
Income tax liability		**547**	–
Amounts due to directors		**1,066**	556
		4,252	2,587
NET CURRENT ASSETS		**31,659**	32,723
NET ASSETS		**38,949**	40,334
CAPITAL AND RESERVES			
Share capital		**24,822**	24,809
Reserves		**14,127**	15,525
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**38,949**	40,334

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

		Reserves								
	Share capital HK$'000	Share premium HK$'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 2013	20,508	120,370	50,841	37	7,090	3,000	(145)	(198,307)	(17,114)	3,394
Loss for the year	–	–	–	–	–	–	–	(8,884)	(8,884)	(8,884)
Other comprehensive income for the year	–	–	–	–	–	–	2	–	2	2
Total comprehensive expense for the year	–	–	–	–	–	–	2	(8,884)	(8,882)	(8,882)
Placement of new shares	4,000	34,724	–	–	–	–	–	–	34,724	38,724
Issue of shares upon exercise of warrant subscription rights	301	7,863	–	–	(1,066)	–	–	–	6,797	7,098
Lapsed of warrants	–	–	–	–	(6,024)	–	–	6,024	–	–
Lapsed of share options	–	–	(555)	–	–	–	–	555	–	–
At 31 December 2013	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	–	–	–	–	–	–	(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 payment	–	–	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**

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

In the current year, the Group has applied for the first time the following amendments to Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively referred to as "HKFRSs") and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

New and amended standards and interpretations that are mandatorily effective for the current year

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 "Investment Entities" for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group applied the amendments to HKAS 32 "Offsetting Financial Assets and Financial Liabilities" for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group applied the amendments to HKAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by HKFRS 13 "Fair Value Measurements".

The amendments have been applied retrospectively. The application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group applied the amendments to HKAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

HK (IFRIC) – Int 21 Levies

The Group applied the amendments to HK (IFRIC) – Int 21 "Levies" for the first time in the current year. HK (IFRIC) – Int 21 Levies addresses the issue of when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The HK (IFRIC) – Int 21 "Levies" has been applied retrospectively. The application of these amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Other standards, amendments and interpretation which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of expected impact of these changes.

New and amended standards and interpretations in issue but not yet effective

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

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Annual Improvements Project	Annual Improvements 2010-2012 Cycle[6]
Annual Improvements Project	Annual Improvements 2011-2013 Cycle[4]
Annual Improvements Project	Annual Improvements 2012-2014 Cycle[5]
Amendments to HKFRS 10 and HKAS 28	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKAS 1	Disclosure Initiative[5]
HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 July 2014
[5] Effective for annual periods beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for 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 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are 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 investments that are held within a business whose objective is achieved both by collecting contractual cash flows and selling financial assets, and have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments or principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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 of financial liabilities attributable to changes in financial liabilities' 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 was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 adopts 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. However, 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 effectiveness test has been overhauled and replaced with the principle of an "economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company 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. However, it is not practicable to provide a reasonable estimate of the financial effect on the Group's financial statements until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, 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 of the Company 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.

Except as described above, the directors of the Company consider that the application of the other new and revised HKFRSs and amendments is unlikely to have a material impact on the Group's financial position and performance as well as disclosure.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, and in accordance with accounting policies set out below which are in conformity with HKFRSs issued by 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 and by the Hong Kong Companies Ordinance (Cap. 32).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

4. REVENUE AND SEGMENT INFORMATION

i. Revenue

Revenue represents the amounts received and receivables that are derived from sales of goods to customers, licensing income 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:

	2014	2013
	HK$'000	*HK$'000*
Sales of software and embedded systems	**3,136**	3,176
Licensing income	**1,062**	1,053
Interest income	**4,920**	1,649
	9,118	5,878

ii. Segment information

The Group's operation segments, based on 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.

The Group's reportable and operating segments 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	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue								
External sales	**4,198**	4,229	**–**	–	**4,920**	1,649	**9,118**	5,878
Result								
Segment results	**523**	577	**(1,437)**	(1,897)	**1,102**	929	**188**	(391)
Interest income							**3**	6
Other income, gains and losses							**64**	(67)
Unallocated expenses							**(25,919)**	(8,432)
Loss before taxation							**(25,664)**	(8,884)

Revenue reported above represents revenue generated from external customers.

There were no inter-segment sales during the years ended 31 December 2014 and 31 December 2013.

Segment results represented the profit or loss earned or incurred by each segment without allocation of certain administration costs, 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 assessment of segment performance.

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	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**2,284**	1,683	**788**	2,152	**35,361**	29,495	**38,433**	33,330
Unallocated assets							**4,768**	9,591
Total consolidated assets							**43,201**	42,921
Segment liabilities	**1,434**	1,491	**212**	219	**802**	125	**2,448**	1,835
Unallocated liabilities							**1,804**	752
Total consolidated liabilities							**4,252**	2,587

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

- All assets are allocated to reportable and operating segments other than assets of head office, including certain property, plant and equipment, prepayments, deposits and other receivables, deferred tax asset and bank balances and cash.

- All liabilities are allocated to reportable and operating segments other than liabilities of head office, including certain other payables and accrued expenses and income tax liability.

c. Other information

The following are the significant 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	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	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	**12**	14	**23**	26	**4**	–	**103**	70	**142**	110
Additions of property, plant and equipment	**16**	8	**–**	–	**5**	21	**11**	456	**32**	485
Reversal of impairment losses recognised in respect of inventories	**(5)**	(10)	**–**	–	**–**	–	**–**	–	**(5)**	(10)
Impairment losses recognised in respect of trade and other receivables	**–**	–	**–**	–	**1,931**	242	**–**	–	**1,931**	242
Loss on disposals of property, plant and equipment	**–**	2	**–**	–	**–**	–	**–**	12	**–**	14
Equity-settled share-based payment	**–**	–	**–**	–	**–**	–	**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

All of the Group's revenue is derived from customers based in Hong Kong during the both years.

The following table provides an analysis of the Group's non-current assets based on the geographical location of the assets:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**7,290**	7,588
Macau	**–**	23
	7,290	7,611

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	**2014**	2013
		HK$'000	*HK$'000*
Customer A	Sales and licensing of software and embedded systems	**–**	760
Customer B	Provision of financing services	**1,020**	–

5. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**540**	–
– Under provision in prior year	**7**	–
	547	–
Deferred tax		
– Current year	**(289)**	–
	258	–

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profit for the year.

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%.

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.

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments)		
– Salaries and other benefits	**9,699**	7,892
– Share-based payments	**867**	–
– Discretionary bonuses	**80**	138
– Retirement benefit scheme contributions	**288**	217
	10,934	8,247
Cost of inventories recognised as expenses *(Note below)*	**146**	150
Auditor's remuneration	**380**	380
Depreciation of property, plant and equipment	**142**	110
Fair value loss on financial assets at FVTPL, included in other gains and losses	**–**	67
Loss on disposals of property, plant and equipment	**–**	14
Impairment losses recognised in respect of trade and other receivables	**1,931**	242

Note: During the year ended 31 December 2014, the cost of inventories recognised as expenses included reversal of impairment losses recognised in respect of inventories of HK$5,000 (2013: HK$10,000).

7. 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$25,922,000 (2013: HK$8,884,000) and the weighted average of 2,481,284,000 ordinary shares (2013: 2,458,562,000 ordinary shares) of the Company in issue during the year.

Diluted loss per share for the years ended 31 December 2014 and 31 December 2013 are not presented because the existence of outstanding share options and warrants during the year have anti-dilutive effect on the basic loss per share.

8. DIVIDENDS

No dividend has been paid or proposed by the Company during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).

9. TRADE AND OTHER RECEIVABLES

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Trade receivables	(i)	**440**	220
Less: Allowances		**–**	–
		440	220
Loan and interest receivables	(ii)		
– Personal loans		**7,294**	12,217
– Mortgage loans		**12,569**	12,035
		19,863	24,252
Less: Allowances		**(1,931)**	(242)
		17,932	24,010
Prepayments		**232**	266
Deposits		**432**	494
Other receivables		**42**	816
		706	1,576
		19,078	25,806
Analysed for reporting purposes as:			
Current assets		**13,078**	19,306
Non-current assets		**6,000**	6,500
		19,078	25,806

Notes:

i. Trade receivables

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:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**313**	162
31 – 90 days	**127**	58
	440	220

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

	2014	2013
	HK$'000	*HK$'000*
31 – 90 days	**127**	58

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.

ii. Loan and interest receivables

	2014	2013
	HK$'000	*HK$'000*
Loan and interest receivables (including accrual of interest of HK$165,000 (2013: HK$664,000))	**19,863**	24,252
Less: Allowances	**(1,931)**	(242)
	17,932	24,010
Analysed for reporting purposes as:		
Current assets	**11,932**	17,510
Non-current assets	**6,000**	6,500
	17,932	24,010

The loan receivables from customers bore fixed interest rate ranging from 1.42% to 2.5% per month (2013: 1.4% to 2.7%) and were repayable according to the loan agreements. Included in the gross balances are loans of approximately HK$12,569,000 (2013: HK$12,035,000) 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:

	2014	2013
	HK$'000	*HK$'000*
Less than 3 months	**8,922**	2,271
Over 3 months but less than 1 year	**3,010**	15,239
Over 1 year but less than 3 years	**6,000**	6,500
	17,932	24,010

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:

	2014	2013
	HK$'000	*HK$'000*
As at 1 January	**242**	–
Write off during the year	**(242)**	–
Impairment losses recognised during the year	**1,931**	242
As at 31 December	**1,931**	242

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 2014 amounted to HK$9,118,000, representing an increase of 55.1% from the previous year. Loss attributable to owners of the Company for the year 2014 amounted to HK$25,922,000 (2013: HK$8,884,000). The loss per share was HK1.04 cents (2013: HK0.36 cents).

REVIEW OF OPERATIONS

The Group has continued to promote its existing products and strengthen its market position in provision of financing services during 2014. Benefited from the prosperous residential property market, the loan interest income attributed 54.0% of total turnover for the Group and became the Group's largest source of income. Despite the doubtful debts of HK$1,931,000, provision of financing services contributed HK$1,102,000 segment profit which increased by 18.6% compared to previous year.

Although full of challenges and lack of growth in the market, the results from sales and licensing of software and embedded systems remained satisfactory and contributed HK$523,000 segment profit which decreased slightly compared to previous year.

In 2014, the Group's total operating expenses increased by HK$2,754,000 compared with 2013, representing an increase of 18.9% from previous year, mainly attributable to the increase in general and administrative expenses of HK$2,994,000 as a result of a full year operation in provision of financing services.

PROSPECTS

Businesses in provision of financing services and sales and licensing of software and embedded systems were profitable to the Group in 2014. Together with improving credit risk assessments and balancing between the risks and benefits, the Group will continue to provide 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 the end user markets with minimum resources. The launch of Q9 applications in Apple IOS operating system in November 2014 has marked a new milestone of entering the fast-growing technological market nowadays. Due to the uncertainty and ineffectiveness in development of biotech renewable energy, the Group will attempt to minimise the cost of research and development in the future.

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 2014 (2013: Nil).

(a) Capital commitments

At 31 December 2014, the Group had no capital commitment (2013: 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:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**790**	1,502
In the second to the fifth years, inclusive	**402**	408
	1,192	1,910

(c) Other commitment

At 31 December 2014, the Group had no other commitment (2013: 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 2014 (2013: Nil).

The Group had no debt as at 31 December 2014 (2013: Nil).

The gearing ratio of the Group, based on total borrowings to shareholder's equity, was nil as at 31 December 2014 (2013: 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 2014.

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 2014.

HUMAN RESOURCES

Staff number

As at 31 December 2014, the Group employed 38 staff (2013: 33). Total staff costs, including directors' emoluments were approximately HK$10.9 million for the year ended 31 December 2014 as compared with those of approximately HK$8.2 million in 2013.

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 2014 (2013: 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 4 to this announcement.

INTERESTS IN COMPETING BUSINESS

None of the directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its shares during the year ended 31 December 2014. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 December 2014.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors 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 2014.

MINIMUM NUMBERS OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE MEMBERS

Following the resignation of Mr. Tsang Wai Wa on 14 March 2014, the Company had two independent non-executive directors ("INEDs") and two audit committee members, the number of which fell below the minimum number required under Rule 5.05(1) and Rule 5.28 of the GEM Listing Rules. Further the number of INED fell below one-third of the Board members as required under Rule 5.05A of the GEM Listing Rules.

After the appointment of Mr. Tse On Kin as INED of the Company on 10 June 2014, the Company has then complied with the Rule 5.05(1), Rule 5.28 and Rule 5.05A of the GEM Listing Rules.

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 2014 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 except the following deviation:

Code Provision E.1.2

Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting. The former chairman of the Board, Mr. Leung Lap Yan, who stepped down from his position of the chairman of the Board on 10 June 2014, was unable to attend the annual general meeting of the Company held on 20 May 2014 as he was on business trip for other important business engagement. However, the managing director of the Company present at the general meeting who then took the chair of that meeting in accordance with the Memorandum and Articles of Association of the Company.

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 INEDs, 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 2014 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 2014 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, 20 March 2015

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.