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EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Eagle Ride Investment Holdings Limited (“**Eagle Ride**” or the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2015 (the “**Year**”), together with the comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
Revenue	<i>(4)</i>	–	–
Net realised gain on disposal of financial assets designated as held for trading		–	1,856,849
Net unrealised gain arising on revaluation of financial assets designated as held for trading		5,350,800	15,683,840
Net unrealised (loss) gain arising on revaluation of financial assets designated as at fair value through profit or loss		(23,995,344)	5,762,710
Other income, gains and losses	<i>(4)</i>	(1,446,500)	(1,418,862)
Administrative and other operating expenses		<u>(38,561,036)</u>	<u>(47,087,270)</u>
Loss from operations	<i>(6)</i>	(58,652,080)	(25,202,733)
Finance costs	<i>(7)</i>	<u>(1,750,791)</u>	–
Loss before tax		(60,402,871)	(25,202,733)
Income tax expense	<i>(8)</i>	<u>–</u>	–
Loss for the year and total comprehensive expenses attributable to owners of the Company		<u>(60,402,871)</u>	<u>(25,202,733)</u>
Loss per share			
Basic and diluted	<i>(10)</i>	<u>(0.040)</u>	<u>(0.017)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
Non-current assets			
Furniture, fixtures and equipment		3,801,953	5,119,493
Financial assets at fair value through profit or loss	<i>(11)</i>	<u>25,055,044</u>	<u>50,648,586</u>
		<u>28,856,997</u>	<u>55,768,079</u>
Current assets			
Deposits and prepayments		2,357,636	2,315,969
Financial assets at fair value through profit or loss	<i>(11)</i>	38,656,800	58,259,378
Cash and bank balances		<u>145,520</u>	<u>87,041</u>
		41,159,956	60,662,388
Assets classified as held for sale	<i>(12)</i>	<u>24,930,413</u>	<u>–</u>
		<u>66,090,369</u>	<u>60,662,388</u>
Current liabilities			
Creditors and accrued expenses		6,528,400	5,767,969
Deposit received in advance	<i>(12)</i>	8,155,980	–
Loans from a director	<i>(13)</i>	<u>11,910,881</u>	<u>2,100,000</u>
		<u>26,595,261</u>	<u>7,867,969</u>
Net current assets		<u>39,495,108</u>	<u>52,794,419</u>
Total assets less current liabilities		<u>68,352,105</u>	<u>108,562,498</u>
Non-current liability			
Corporate bonds	<i>(14)</i>	<u>20,192,478</u>	<u>–</u>
NET ASSETS		<u>48,159,627</u>	<u>108,562,498</u>
Capital and reserves			
Share capital	<i>(15)</i>	18,750,735	18,750,735
Reserves		<u>29,408,892</u>	<u>89,811,763</u>
TOTAL EQUITY		<u>48,159,627</u>	<u>108,562,498</u>

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and its ultimate holding company is APAC Investment Holdings Limited (“**APAC**”) (incorporated in Samoa). Its ultimate controlling party is Mr. Hu Haisong (“**Mr. Hu**”), who is a non-executive director of the Company. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room 2206, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

The Group is principally engaged in investment holdings and trading of financial assets at fair value through profit or loss (“**FVTPL**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

(b) Basis of preparation

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group notwithstanding that:

- the Group incurred a net loss of approximately HK\$60,403,000 with no revenue generated for the year ended 31 December 2015, and net cash outflows from operating activities of approximately HK\$36,350,000 for the year ended 31 December 2015; and
- the Group had a weak cash and bank balances position of approximately HK\$146,000 as at 31 December 2015, and loans from a director of approximately HK\$11,911,000 which are due for repayment within one year from 31 December 2015.

Despite the above, the Directors are of the opinion that the Group will have sufficient financial resources to meet its financial obligations as they fall due for at least the next twelve months from the end of the reporting period, after taking into consideration of the followings:

- (i) at the end of the reporting period, amongst the financial assets designated as held for trading was a listed equity investment at a fair value of approximately HK\$38,657,000 which could be realised on the Stock Exchange at short notice to provide liquid funds for the Group;
- (ii) the Company had received HK\$19,000,000 (equivalent to US\$2,450,000) in cash in March 2016 from the purchaser to settle the remaining consideration of the disposal of a subsidiary;
- (iii) subsequent to the end of the reporting period, the Company had obtained a loan from an independent money lending company at a principal amount of HK\$10,000,000, which is repayable within one year with neither securities pledged nor guarantee and bearing fixed interest rate at 10% per annum;
- (iv) Mr. Hu agreed to provide continuous financial support to the Group to meet its financial obligations;
- (v) the Directors are taking measures to tighten cost controls over administrative and other operating expenses aiming at improving the working capital and cash flows position of the Group including closely monitoring the daily operating expenses; and
- (vi) the Directors are exploring the possibility to conduct fund raising activities.

The Directors have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the reporting date taking into account the impact of the above measures, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HKFRSs

New and revised HKFRSs affecting amounts reported and/or disclosures in the consolidated financial statements

The Group has applied for the first time in the current year the following amendments to HKFRSs issued by the HKICPA:

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

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

New and revised HKFRSs issued but not yet effective

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

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

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.

³ The original effective date has been deferred to a date yet to be determined.

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 further amended 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 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 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 of the financial asset give rise on specified dates to cash flows that are solely payments of 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 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 FVTPL, 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 the 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 at FVTPL was 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. 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 anticipate that the adoption of HKFRS 9 in the future may have certain impact on the amounts reported in respect of 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.

The Directors anticipate that the application of the other new and revised standards and amendments will have no material impact on the consolidated financial statements.

New Hong Kong Companies Ordinance (Cap.622)

In addition, as the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) have come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

4. REVENUE AND OTHER INCOME, GAINS AND LOSSES

An analysis of revenue and other income, gains or losses is as follows:

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Revenue:		
Dividend income	<u>–</u>	<u>–</u>
Other income, gains and losses:		
Income from office sharing	79,750	–
Interest income	–	24
Gain on disposal of furniture, fixtures and equipment	–	22,194
Sundry income	80,251	–
Exchange loss, net	<u>(1,606,501)</u>	<u>(1,441,080)</u>
	<u>(1,446,500)</u>	<u>(1,418,862)</u>

5. SEGMENT INFORMATION

Business segments

During the years ended 31 December 2015 and 2014, the Group's revenue and net loss mainly derived from the realised gain on disposal of financial assets designated as held for trading, unrealised gain arising on revaluation of financial assets designated as held for trading and unrealised (loss) gain arising on revaluation of financial assets designated as at FVTPL. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given that the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating loss.

Geographical segments

The Group's segment assets and liabilities which represent furniture, fixtures and equipment, financial assets at FVTPL, assets classified as held for sale, deposit received in advance and corporate bonds for the year, analysed by geographical market, are as follows:

	2015				Total HK\$
	PRC (except Hong Kong) HK\$	Hong Kong HK\$	Singapore HK\$	United States of America HK\$	
Segment assets	24,930,413	42,458,753	18,401,582	6,653,462	92,444,210
Unallocated assets					2,503,156
Total assets					94,947,366
Segment liabilities	-	28,348,458	-	-	28,348,458
Unallocated liabilities					18,439,281
Total liabilities					46,787,739
	2014				
	PRC (except Hong Kong) HK\$	Hong Kong HK\$	Singapore HK\$	United States of America HK\$	Total HK\$
Segment assets	24,953,378	38,425,493	27,073,124	23,575,462	114,027,457
Unallocated assets					2,403,010
Total assets					116,430,467
Segment liabilities	-	-	-	-	-
Unallocated liabilities					7,867,969
Total liabilities					7,867,969

6. LOSS FROM OPERATIONS

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Loss from operations has been arrived at after charging (crediting):		
Auditor's remuneration		
– audit services	150,000	128,000
– non-audit services	180,000	122,000
Investment management fee	2,278,758	1,412,190
Depreciation of furniture, fixtures and equipment	1,317,540	1,310,131
Exchange loss, net	1,606,501	1,441,080
Net gain on disposal of furniture, fixtures and equipment	–	(22,194)
Net realised gain on disposal of financial assets designated as held for trading	–	(1,856,849)
Net unrealised gain arising on revaluation of financial assets designated as held for trading	(5,350,800)	(15,683,840)
Net unrealised loss (gain) arising on revaluation of financial assets designated as at FVTPL	23,995,344	(5,762,710)
Operating lease rentals in respect of:		
– office equipment	40,000	35,092
– office premises	8,177,899	7,977,433
Directors' remuneration and staff costs:		
– salaries	15,011,192	17,338,059
– contributions to MPF scheme	266,903	307,547
	<u>266,903</u>	<u>307,547</u>

7. FINANCE COSTS

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Interest on:		
Loans from a director		
– wholly repayable within one year	317,697	–
Corporate bonds		
– wholly repayable within five years	844,719	–
– not wholly repayable within five years	588,375	–
	<u>1,750,791</u>	<u>–</u>

8. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

No provision for Hong Kong Profits Tax has been made for both years as the Group did not have any assessable profits.

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Loss before tax	<u>(60,402,871)</u>	<u>(25,202,733)</u>
Hong Kong Profits Tax calculated at the rate of 16.5% (2014: 16.5%)	(9,966,474)	(4,158,451)
Tax effect of expenses not deductible for tax purpose	4,750,114	932,821
Tax effect of income not taxable for tax purpose	(882,882)	(3,543,033)
Tax effect on temporary differences not recognised	173,227	135,004
Tax effect on tax losses not recognised	5,926,015	6,633,659
Income tax expense for the year	<u>–</u>	<u>–</u>

At the end of the reporting period, the Group has estimated unrecognised tax losses of approximately HK\$163,603,000 (2014: approximately HK\$127,688,000) to set off against future taxable income. No deferred tax asset is recognised in respect of such tax losses carried forward as the realisation of the related tax benefit through future taxable profits could not be reasonably assessed. The tax losses do not have expiry date under the current tax legislation.

The Group had no material unprovided deferred tax liabilities at the end of the reporting period (2014: HK\$nil).

9. DIVIDENDS

No dividend was paid or proposed during 2015, nor has any dividend been proposed since the end of the reporting period (2014: HK\$nil).

10. LOSS PER SHARE

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

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Loss for the purpose of basic loss per share		
Loss for the year attributable to owners of the Company	<u><u>60,402,871</u></u>	<u><u>25,202,733</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>1,500,058,784</u></u>	<u><u>1,499,792,375</u></u>

The weighted average number of 1,500,058,784 (2014: 1,499,792,375) ordinary shares for the purpose of basic loss per share has been adjusted for the bonus warrants exercised and shares subdivision in last year.

The amounts of diluted loss per share are the same as basic loss per share as there were no potential dilutive ordinary shares outstanding as at 31 December 2015 and 2014.

11. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Non-current asset:		
Financial assets designated as at FVTPL	<u>25,055,044</u>	<u>50,648,586</u>
Current assets		
Financial assets designated as at FVTPL	–	24,953,378
Financial assets designated as held for trading	<u>38,656,800</u>	<u>33,306,000</u>
	<u>38,656,800</u>	<u>58,259,378</u>
	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Financial assets designated as at FVTPL:		
Unlisted equity investments:		
Non-current assets	25,055,044	50,648,586
Current assets	–	24,953,378
	<u>25,055,044</u>	<u>75,601,964</u>
Financial assets designated as held for trading:		
Equity investment listed in Hong Kong		
Non-current assets	–	–
Current assets	<u>38,656,800</u>	<u>33,306,000</u>
	<u>38,656,800</u>	<u>33,306,000</u>

The total carrying amount of the financial assets designated as held for trading pledged to the securities broker was approximately HK\$38,657,000 (2014: approximately HK\$33,306,000).

The Group had the following equity investments:

As at 31 December 2015

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount <i>HK\$</i>	Unrealised (loss) gain arising on revaluation <i>HK\$</i>	Exchange loss <i>HK\$</i>	Fair value/ market value <i>HK\$</i>	Dividend received/ receivable during the year <i>HK\$</i>
Unlisted equity investments								
E-Com Holdings Pte. Ltd.	Singapore	1,259,607	23.70%	27,073,124	(7,092,423)	(1,579,119)	18,401,582	-
Vaca Energy, LLC	United States of America	1,322,843	6.33%	23,575,462	(16,902,921)	(19,079)	6,653,462	-
Listed equity investment								
Tech Pro Technology Development Limited	Cayman Islands	21,840,000	0.33%	33,306,000	5,350,800	-	38,656,800	-

As at 31 December 2014

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Acquisition cost <i>HK\$</i>	Unrealised gain arising on revaluation <i>HK\$</i>	Exchange (loss) gain <i>HK\$</i>	Fair value/ market value <i>HK\$</i>	Dividend received/ receivable during the year <i>HK\$</i>
Unlisted equity investments								
E-Com Holdings Pte. Ltd.	Singapore	1,259,607	23.70%	24,677,600	3,819,647	(1,424,123)	27,073,124	-
Vaca Energy, LLC	United States of America	1,322,843	6.34%	23,291,557	303,842	(19,937)	23,575,462	-
New Tai Ming Investments International Limited	Hong Kong	210	7.00%	23,310,000	1,639,221	4,157	24,953,378	-
Listed equity investment								
Tech Pro Technology Development Limited	Cayman Islands	5,460,000	0.35%	17,622,160	15,683,840	-	33,306,000	-

The unlisted equity investments at 31 December 2015 and 2014 were, upon initial recognition, designated by the Group as financial assets at FVTPL. The listed and unlisted equity investments form a group of financial assets which are managed and their performances are evaluated on a fair value basis, in accordance with the Group's investment strategy. Their performances are regularly reviewed by the key management personnel of the Group.

The fair value of listed equity investment is determined based on the quoted market bid price available on the Stock Exchange at the end of the reporting period. The fair values of all the above unlisted equity investments were determined by the Directors with reference to the professional valuation carried out by Peak Vision Appraisals Limited, an independent qualified professional valuer.

12. ASSETS CLASSIFIED AS HELD FOR SALE AND DEPOSIT RECEIVED IN ADVANCE

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Asset disposed of:		
Financial assets at FVTPL	<u>24,930,413</u>	<u>–</u>
Non-refundable deposit received:		
Deposit received in advance for the financial assets to be disposed	<u>8,155,980</u>	<u>–</u>

13. LOANS FROM A DIRECTOR

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Loans advanced	11,593,184	2,100,000
Loan interest payable	<u>317,697</u>	<u>–</u>
	<u>11,910,881</u>	<u>2,100,000</u>

The loans obtained from Mr. Hu were unsecured, bearing fixed interest rate at 6% per annum and repayable within one year.

The Directors consider that the carrying amounts of the loans from a director approximate their fair values.

14. CORPORATE BONDS

The corporate bonds recognised in the consolidated statement of financial position are calculated as follows:

	Unlisted bond ("Bond I") <i>HK\$</i>	Unlisted bond ("Bond II") <i>HK\$</i>	Unlisted bond ("Bond III") <i>HK\$</i>	Total <i>HK\$</i>
At 1 January 2015	–	–	–	–
Principal value of the Bond on initial recognition	10,000,000	3,000,000	10,000,000	23,000,000
Direct transaction costs	<u>(1,410,000)</u>	<u>(855,000)</u>	<u>(1,900,000)</u>	<u>(4,165,000)</u>
	8,590,000	2,145,000	8,100,000	18,835,000
Effective interest expenses	844,719	186,108	402,267	1,433,094
Interest paid	<u>–</u>	<u>(75,616)</u>	<u>–</u>	<u>(75,616)</u>
At 31 December 2015	<u>9,434,719</u>	<u>2,255,492</u>	<u>8,502,267</u>	<u>20,192,478</u>

The effective interest rate of the Bond I, II and III are 10.43%, 21.58% and 10.73% per annum respectively.

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each	Number of ordinary shares of HK\$0.0125 each	<i>HK\$</i>
Authorised:			
At 1 January 2014	10,000,000,000	–	1,000,000,000
Share subdivision	<u>(10,000,000,000)</u>	<u>80,000,000,000</u>	<u>–</u>
At 31 December 2014, 1 January 2015 and 31 December 2015	<u>–</u>	<u>80,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:			
At 1 January 2014	187,392,590	–	18,739,259
Exercise of bonus warrants	114,758	–	11,476
Share subdivision	<u>(187,507,348)</u>	<u>1,500,058,784</u>	<u>–</u>
At 31 December 2014, 1 January 2015 and 31 December 2015	<u>–</u>	<u>1,500,058,784</u>	<u>18,750,735</u>

16. NET ASSET VALUE PER SHARE

As at 31 December 2015 and 2014, the net asset value per share of the Company was HK\$0.03 and HK\$0.07 respectively. The calculation of net asset value per share is based on the net asset value of the Group as at 31 December 2015 of approximately HK\$48,160,000 (2014: approximately HK\$108,562,000) and on the number of 1,500,058,784 ordinary shares of HK\$0.0125 each in issue as at 31 December 2015 (2014: 1,500,058,784 ordinary shares of HK\$0.0125 each).

17. OPERATING LEASE COMMITMENTS

The Group as lessee

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Minimum lease payments paid under operating leases during the year		
– office equipment	40,000	35,092
– office premises	<u>8,177,899</u>	<u>7,977,433</u>
	<u><u>8,217,899</u></u>	<u><u>8,012,525</u></u>

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and rented office equipment which fall due as follows:

	Office equipment		Office premises	
	2015	2014	2015	2014
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Within one year	42,000	38,400	3,418,285	8,014,187
In the second to fifth years inclusive	<u>84,672</u>	<u>115,200</u>	<u>4,371</u>	<u>3,296,032</u>
	<u><u>126,672</u></u>	<u><u>153,600</u></u>	<u><u>3,422,656</u></u>	<u><u>11,310,219</u></u>

Operating lease payments represent rentals payable by the Group for its office equipment and office premises. Operating leases are negotiated and payments are fixed for an average of 2 years.

18. PLEDGE OF ASSETS

As at 31 December 2015, margin facility of approximately HK\$19,328,000 (2014: approximately HK\$16,653,000) from a regulated securities broker was granted to the Group under which financial assets at FVTPL of approximately HK\$38,657,000 (2014: approximately HK\$33,306,000) were treated as collateral for the facilities granted. No margin facility has been utilised by the Group as at 31 December 2015 (2014: nil).

19. RELATED PARTY DISCLOSURES

(a) Transactions

The Group had the following significant related party transactions during the year which were carried out in the normal course of the Group's business:

Name of related party	Nature of transaction	2015 HK\$	2014 HK\$
Blue Star Asset Management Limited (Formerly named as "Corban Asset Management Limited") ("Blue Star")	Consultancy fee	–	197,419
	Investment management fee	2,278,758	1,233,290
Mr. Hu	Loan interest expenses	317,697	–
Ms. Li Yunshan	Consultancy fee	560,000	821,429
Blueseas Energy Holdings Limited	Proceeds from disposal of a motor vehicle	–	480,000
Enerchine Investment Management Limited	Investment management fee	–	178,900

(b) Balances

At the end of the reporting period, the amounts due to related parties are as follows:

Name of related party	Nature of balance	2015 HK\$	2014 HK\$
Blue Star	Accrued investment management fee	(1,280,900)	(525,453)
Mr. Hu	Loans from a director	(11,910,881)	(2,100,000)

- (c) Remuneration for key management personnel, including amounts paid to the Company's directors is as follows:

	2015	2014
	HK\$	HK\$
Directors' fee	4,915,500	5,311,000
Salaries, allowance and benefits in kind	1,592,000	1,760,000
Discretionary bonuses	440,000	395,260
Contributions to MPF Scheme	18,000	16,750
	<u>6,965,500</u>	<u>7,483,010</u>

20. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2015, the following significant subsequent events took place:

- (a) The Company has obtained a loan from Mr. Hu at a principal amount of HK\$3,000,000 in January 2016, bearing fixed interest rate at 6% per annum for a term of one year.
- (b) On 23 September 2015, the Company entered into a supplemental sale and purchase agreement with the purchaser whereby both parties agreed that the completion of disposal of Clear Gold Limited, a wholly-owned subsidiary of the Company, should take place in March 2016. The Company has received the remaining consideration of HK\$19,000,000 (equivalent to US\$2,450,000) in cash and the transaction is completed on the scheduled date.
- (c) Subsequent to the end of the reporting period, the Company has obtained a loan from an independent money lending company at a principal amount of HK\$10,000,000 in January 2016, bearing fixed interest rate at 10% per annum for a term of one year.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Eagle Ride Investment Holdings Limited is an investment holding company. The Company's investment instruments are to be made in the form of equity securities or equity-related securities or debt-related instruments in listed and unlisted companies engaged in, but not limited to, the oil sector. The investments normally are to be made in enterprises which are established within their respective fields. The Company may also seek to identify investments where there are synergies with other investee entities.

Year 2015 was challenging as the difficulties in the business environment persisted, especially in the oil sector. The business environment was mainly confined by the austere external environment. The global economy decelerated during the year and grew at its slowest pace since the Global Financial Crisis, featured by the slow and uneven recovery of advanced economies, notable downward pressures on emerging market economies and sharp declines in commodity prices. Of particular note were the highly volatile global financial conditions.

Due to the adverse global economy, the years of high oil prices in the range of US\$100 – \$110 have not sustained after the summer of 2014. Sharp declination in oil prices continued into the following years. Crude oil price hit US\$37.04 per barrel as at the end of December 2015. Amidst the backdrop of global economic slowdown, oil prices have shown little signs of progress into the year of 2016.

During the year ended 31 December 2015, the Company continued its investments in both listed and unlisted equity securities and other related financial assets. As at 31 December 2015, the Company's investment portfolio was diversified and across different business sectors including manufacturing, education, oilfield and investment in securities.

Business Review

At the end of the reporting period, the company's investment performances were as follows:

1. a net unrealised gain arising on revaluation of financial assets designated as held for trading was approximately HK\$5,351,000; and
2. a net unrealised loss arising on revaluation of financial assets designated as at FVTPL was approximately HK\$23,995,000.

Financial Review

The Company did not derive revenue for the current and last financial year. However, during the year the Company made a net unrealised gain arising on revaluation of financial assets designated as held for trading of approximately HK\$5,351,000 and a net unrealised loss arising on revaluation of financial assets designated as at FVTPL of approximately HK\$23,995,000.

The net loss attributable to owners of the Company was approximately HK\$60,403,000, an increase of approximately HK\$35,200,000 from the loss of HK\$25,203,000 in the last financial year. The significant enlargement in loss was mainly due to the sharp declination in oil prices which resulting an unrealised loss on the financial assets at FVTPL of approximately HK\$23,995,000. However the losses were slightly offset by a decrease in administrative and other operating expenses amounted at approximately HK\$8,526,000.

Liquidity and Financial Resources

As at 31 December 2015, the Group has cash and cash equivalents of approximately HK\$146,000 (2014: approximately HK\$87,000). The Company is fully aware of the financial position and several measurements have been carried out to improve the Company's liquidity. The measurements are as follows:

1. at the end of the reporting period, amongst the financial assets designated as held for trading was a listed equity investment at a fair value of approximately HK\$38,657,000 which could be realised on the Stock Exchange at short notice to provide liquid funds for the Group;
2. the Company had received HK\$19,000,000 (equivalent to US\$2,450,000) in cash in March 2016 from the purchaser to settle the remaining consideration of the disposal of a subsidiary;
3. subsequent to the end of the reporting period, the Company had obtained a loan from an independent money lending company at a principal amount of HK\$10,000,000 which is repayable within one year with no securities pledged nor guarantee and bearing fixed interest rate at 10% per annum;

4. Mr. Hu, the ultimate controlling party, agreed to provide continuous financial support to the Group to meet its financial obligations;
5. the Directors are taking measures to tighten cost controls over administrative and other operating expenses aiming at improving the working capital and cash flows position of the Group including closely monitoring the daily operating expenses; and
6. the Directors are exploring the possibility to conduct fund raising activities.

In view of the above, the Board believes that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements.

Dividends

The Board does not recommend the payment of a final dividend for the current year (2014: HK\$nil).

During the Year, there were no bonus shares issued (2014: nil).

Gearing Ratio

The gearing ratio (total borrowings/total assets) as at 31 December 2015 was 33.8% (2014: 1.8%). The increment was mainly due to the issue of corporate bonds, new borrowings raised for operation and unrealised loss arising on revaluation of financial assets designated as at FVTPL.

Litigation

No outstanding litigation as at 31 December 2015 was noted (2014: nil).

Contingent Liabilities

As at 31 December 2015, the Company did not have any contingent liabilities (2014: nil).

Pledge of Assets

As at 31 December 2015, no financial assets were pledged for any financing provided to the Group (2014: nil).

Foreign Exchange Risk

The Company has foreign currency investments in financial assets, which expose it to foreign currency risk. The Group is mainly exposed to the effects of fluctuation of the S\$ and US\$. As the HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rates between the HK\$ and the US\$ to be insignificant. Accordingly, their fluctuation is excluded from the sensitivity analysis. If the exchange rate of HK\$ against S\$ has been increased/decreased by 5% (2014: 5%), the Group's loss for the year would have been decreased/increased by approximately HK\$921,000 (2014: approximately HK\$1,354,000).

Employees

As at 31 December 2015 the Group had 15 (2014: 19) employees. The total employees remuneration was approximately HK\$8,064,000 (2014: approximately HK\$9,872,000) for the current financial year. The Group's emolument policies are formulated based on the performance of individual employees and is reviewed regularly every year.

OUTLOOK

Looking ahead, the investment market is expected to remain challenging in 2016. In spite of this, the Company will continue to adopt and maintain a prudent investment approach to capture attractive investment opportunities as and when they arise. The Company will continue fully leveraging its strong market analytical capability and carefully identify the market trend through a flexible investment strategy to bring the maximum returns for all the shareholders.

With the extensive network and strong market analytical capability of our management team, we are well-positioned to target investments with growth potential. The Company has disposed an unlisted securities investment and the substantial net realised gain for the year is testimony to the effectiveness of its investment strategy.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles, code provisions and recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules. During the year ended 31 December 2015, the Company has complied with all code provisions, and where applicable, certain recommended best practices set out in the CG Code except for code provision A.6.7 of the CG Code as explained below.

The code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings. However, two independent non-executive Directors and three non-executive Directors were unable to attend the annual general meeting and the extraordinary general meeting of the Company held on 22 May 2015 due to other personal engagements.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), as contained in Appendix 10 of the Listing Rules, as the required standard for the Directors to deal in the securities of the Company. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the Year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the Year.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2015 have been agreed by the Group’s auditor, HLM CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLM CPA Limited on the preliminary announcement.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee of the Company comprises three members and is currently consisting of two independent non-executive directors, namely, Mr. Vichai Phaisalakani and Mr. Wang Xianzhang, and one non-executive director, namely, Mr. Hu Haisong. Mr. Vichai Phaisalakani is the chairman of the Audit Committee. The consolidated financial statements of the Group for the Year had been reviewed, discussed and approved by the Audit Committee.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.eaglerideinvestment.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company will be despatched to shareholders and published on the aforesaid websites in due course.

By order of the Board
Eagle Ride Investment Holdings Limited
鷹力投資控股有限公司
Tung Shu Sun
Chairman

Hong Kong, 31 March 2016

As at the date of this announcement, the Board comprises six Directors. The executive Director is Mr. Chan Yiu Pun, Clement; the non-executive Directors are Mr. Hu Haisong and Mr. Tung Shu Sun; and the independent non-executive Directors are Mr. Gui Shengyue, Mr. Wang Xianzhang and Mr. Vichai Phaisalakani.