SINO-i TECHNOLOGY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 250)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The board of directors (the "Board") of Sino-i Technology Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015, together with the comparative figures for the year ended 31 December 2014 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000* (Re-presented)
Revenue	*4(a)*	**808,287**	784,763
Cost of sales and services provided		**(139,242)**	(166,437)
Gross profit		**669,045**	618,326
Other operating income	*4(b)*	**150,055**	151,118
Loss on disposal and dissolution of subsidiaries		**–**	(7,850)
Selling and marketing expenses		**(520,512)**	(530,341)
Administrative expenses		**(82,293)**	(77,896)
Other operating expenses		**(138,643)**	(238,879)
Finance costs	*6*	**(17,443)**	(18,165)
Share of results of an associate		**(368)**	–
Profit/(Loss) before income tax	*7*	**59,841**	(103,687)
Income tax expense	*8*	**(13,789)**	(14,562)
Profit/(Loss) for the year		**46,052**	(118,249)
Profit/(Loss) for the year attributable to:			
Owners of the Company		**47,870**	(115,363)
Non-controlling interests		**(1,818)**	(2,886)
		46,052	(118,249)
		HK Cent	*HK Cent*
Earnings/(Loss) per share attributable to the owners of the Company during the year	*9*		
— Basic		**0.24**	(0.58)
— Diluted		**0.24**	(0.58)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Profit/(Loss) for the year	**46,052**	(118,249)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**(16,651)**	(8,510)
Exchange differences on translation of investment in an associate	**(51)**	–
Exchange differences reclassified on disposal and dissolution of subsidiaries	**–**	12,576
	(16,702)	4,066
Total comprehensive income for the year	**29,350**	(114,183)
Total comprehensive income attributable to:		
Owners of the Company	**32,284**	(110,864)
Non-controlling interests	**(2,934)**	(3,319)
	29,350	(114,183)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000* (Re-presented)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**610,987**	637,794
Prepaid land lease payments under operating leases		**24,818**	26,532
Available-for-sale financial assets		**324**	324
Interests in associates		**8,109**	–
Goodwill		**81,961**	84,864
Other intangible assets		**63,249**	55,936
Deposits and other receivables		**703**	735
Loan to ultimate holding company	*10*	**1,370,557**	1,466,005
		2,160,708	2,272,190
Current assets			
Trade receivables	*11*	**67,687**	19,462
Deposits, prepayments and other receivables		**206,884**	205,706
Time deposits maturing over three months		**12**	625
Cash and cash equivalents		**128,423**	58,073
		403,006	283,866
Current liabilities			
Trade payables	*12*	**72,626**	46,942
Other payables and accruals		**67,156**	119,506
Receipt in advance and deferred revenue		**179,094**	176,924
Provision for tax		**116,779**	104,184
Amount due to a director		**14,898**	7,858
Amount due to a shareholder		**1**	1
Amounts due to associates		**9,677**	5,499
Bank borrowings, secured		**245,821**	313,547
Finance lease liabilities		**336**	431
		706,388	774,892
Net current liabilities		**(303,382)**	(491,026)
Total assets less current liabilities		**1,857,326**	1,781,164

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000 (Re-presented)
Non-current liabilities			
Finance lease liabilities		**421**	756
Amount due to ultimate holding company		**85,517**	37,018
Deferred tax liabilities		**7,554**	8,906
		93,492	46,680
Net assets		**1,763,834**	1,734,484
EQUITY			
Share capital	*13*	**240,597**	240,597
Reserves		**1,500,632**	1,468,348
Equity attributable to the Company's owners		**1,741,229**	1,708,945
Non-controlling interests		**22,605**	25,539
Total equity		**1,763,834**	1,734,484

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office and its principal place of business is located at 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The ultimate parent company of the Company is Nan Hai Corporation Limited ("Nan Hai"), a company incorporated and domiciled in Bermuda and its shares are listed on the Hong Kong Stock Exchange.

The principal activity of the Group is principally engaged in corporate IT application services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The financial information relating to the year ended 31 December 2015 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance, Cap. 622 (the "Companies Ordinance") is as follows:

The Company will deliver the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The financial statements have been prepared on the historical cost basis except for certain financial instruments classified as available-for-sale which are stated at fair values.

The financial statements have been prepared on the going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Group had net current liabilities of HK$303,382,000 (2014: HK$491,026,000) as at 31 December 2015. Having reviewed the cash flow projection of the Group for the next 12 months from the reporting date, the Board is of the opinion that the Group will have sufficient resources to satisfy its working capital and other financing requirement in the foreseeable future based on the followings: (i) the Board foresees that the Group is able to generate positive cash flows from operation in 2016; and (ii) with the leasehold land and buildings amounting to approximately HK$605,573,000 (2014: HK$637,285,000) being pledged for existing credit facilities, the Board is of the view that the Group should be able to renew these credit facilities when they fall due in 2016.

In view of the above, the Board is of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, the financial statements have been prepared on a going concern basis.

3. ADOPTION OF NEW/AMENDED HKFRSs

3.1 New/amended HKFRSs which are effective during the year

In the current year, the Group has applied for the first time the following new/amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2015:

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

The adoption of these new/amended HKFRSs has no material impact on the Group's financial statements.

3.2 New/amended HKFRSs which are issued but not yet effective

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

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle[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 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	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	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[2]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective date is deferred

Amendments to HKAS 1 — Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

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

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

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

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

HKFRS 9 (2014) — Financial Instruments

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

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

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

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

HKFRS 15 — Revenue from Contracts with Customers (Continued)

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

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

Save as the main changes described above, the Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantity the effects on the Group's financial statements.

3.3 New Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The directors consider that there will be no impact on the Group's financial position or performance, however the new Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

4. REVENUE AND OTHER OPERATING INCOME

(a) The Group's revenue represents revenue from corporate IT application services.

(b) Other operating income:

	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**283**	296
Other interest income	**105,865**	102,557
Gain on disposal of property, plant and equipment	**19**	125
Government grants *(Note)*	**554**	16,425
Rental income	**11,843**	12,722
Refund of value-added tax and business tax	**15,615**	14,483
Write-back of provision for impairment of other receivables	**12,887**	–
Reversal of other receivables written off	**–**	2,297
Sundry income	**2,989**	2,213
	150,055	151,118

4. REVENUE AND OTHER OPERATING INCOME (Continued)

(b) Other operating income: (Continued)

Note: Included in the balance amounting to approximately HK$554,000 (2014: HK$1,845,000) represented grants to subsidise the development of IT business in the People's Republic of China (the "PRC"), of which the entitlement was unconditional. The amounts in 2014 also included certain government grants amounting to approximately HK$14,580,000 that were granted in prior years to subsidise software development projects of the Group in the PRC, of which the prescribed conditions in relation to the grant had been fulfilled during the year ended 31 December 2014.

5. SEGMENT INFORMATION

The Board has identified the corporate IT application service as the only business component in internal reporting for their decisions about resources allocation and performance review.

	2015	2014
	HK$'000	*HK$'000*
Reportable segment revenue	**808,287**	784,763
Reportable segment loss before income tax	**(28,874)**	(180,861)
Bank interest income	**6**	3
Other interest income	**105,865**	102,557
Depreciation and amortisation	**(1,431)**	(274)
Loss on disposal and dissolution of subsidiaries	**–**	(7,850)
Finance cost	**(4)**	(3)
Unallocated corporate expenses	**(15,721)**	(17,259)
Profit/(Loss) before income tax	**59,841**	(103,687)
Reportable segment assets	**1,122,300**	1,004,425
Loan to ultimate holding company	**1,370,557**	1,466,005
Cash and cash equivalents	**1,697**	597
Available-for-sale financial assets	**324**	324
Other financial and corporate assets	**68,836**	84,705
Group assets	**2,563,714**	2,556,056
Reportable segment liabilities	**560,869**	645,978
Amount due to ultimate holding company	**85,517**	37,018
Amount due to a director	**14,898**	7,858
Amount due to a shareholder	**1**	1
Amount due to an associate	**5,499**	5,499
Provision for tax	**116,779**	104,184
Deferred tax liabilities	**7,554**	8,906
Other corporate liabilities	**8,763**	12,128
Group liabilities	**799,880**	821,572
Additional segment information		
Bank interest income	**277**	293
Finance costs	**(17,439)**	(18,162)
Share of results of an associate	**(368)**	–
Depreciation and amortisation of non-financial assets	**(55,981)**	(131,017)
Additions to non-current assets during the year	**61,809**	39,383

5. SEGMENT INFORMATION (Continued)

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	Revenue from external customers		Specified non-current assets	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
— Mainland China (domicile)	**802,148**	784,586	**782,564**	803,456
— Hong Kong	**6,139**	177	**7,263**	2,405
	808,287	784,763	**789,827**	805,861

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical and operating location of the assets. The Company is an investment holding company incorporated in Hong Kong where the Group has the majority of its operations and workforce in Mainland China, and therefore, Mainland China is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank loans	**17,398**	18,106
Interest on finance leases	**45**	59
Amount recognised in profit or loss	**17,443**	18,165

7. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	2015	2014
	HK$'000	*HK$'000*
Auditors' remuneration	**2,828**	2,424
Gross depreciation of property, plant and equipment — owned assets	**46,689**	53,910
Less: Amounts included in cost of sales and services provided	**(35)**	(99)
Net depreciation of owned assets*	**46,654**	53,811
Depreciation of leased assets*	**449**	315
Operating lease charges on land and buildings	**46,617**	37,973
Annual charges of prepaid operating lease payments*	**546**	557
Gross retirement benefit contributions	**60,489**	63,004
Less: Amounts included in research and development expenses	**(6,947)**	(11,376)
Amounts included in cost of sales and services provided	**(11,256)**	(12,200)
Amounts capitalised in intangible assets	**(2,686)**	–
Net retirement benefit contributions	**39,600**	39,428
Cost of sales and services provided	**139,242**	166,437
Amortisation of other intangible assets*	**9,728**	76,509
Property, plant and equipment written off*	**55**	253
Research and development expenses*	**62,592**	89,669
Provision for impairment of trade receivables*	**4,080**	888
Other receivables written off*	**59**	–
Write-back of provision for impairment of trade receivables*	**–**	(1,073)

* *included in other operating expenses*

8. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Hong Kong profits tax		
— tax charge for the year	**10,999**	12,063
— over-provision in respect of prior years	**(487)**	(298)
	10,512	11,765
PRC Enterprise Income Tax ("EIT")		
— tax charge for the year	**4,262**	3,885
	14,774	15,650
Deferred tax	**(985)**	(1,088)
Income tax expense	**13,789**	14,562

For the year ended 31 December 2015, Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year.

PRC EIT has been provided on the estimated assessable profits of subsidiaries operating in Mainland China at 25% (2014: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

9. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on profit attributable to owners of the Company of HK$47,870,000 (2014: a loss of HK$115,363,000) and on 19,914,504,877 (2014: 19,914,504,877) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for both years was the same as the basic earnings/(loss) per share as there was no potential dilutive ordinary share in issue during the years.

10. LOAN TO ULTIMATE HOLDING COMPANY

On 29 May 2009, the Group entered into a loan agreement with its ultimate holding company to advance a loan of HK$1,645,530,000 which bore interest at 6.0% per annum and would be repayable on or before 29 June 2011 and was secured by a share mortgage.

On 20 May 2011, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2011. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2013 and the loan was secured by a share mortgage.

On 9 May 2013, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2013. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2015 and the loan was secured by share mortgage of a fellow subsidiary. The rate of interest applicable to the outstanding principal amount of the loan during the extension period is 7.5% per annum.

10. LOAN TO ULTIMATE HOLDING COMPANY (Continued)

On 30 April 2015, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2015. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2017 and the loan was secured by a share mortgage of a fellow subsidiary. The rate of interest applicable to the outstanding principal amount of the loan during the extension period is 8.0% per annum.

As at 31 December 2015, approximately HK$1,317,149,000 (2014: HK$1,317,149,000) was interest bearing at 8.0% (2014: 7.5%) per annum, and the remaining balance was interest-free.

11. TRADE RECEIVABLES

Based on the invoice dates, the aging analysis of the trade receivables is as follows:

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**61,027**	17,200
91–180 days	**1,848**	114
181–270 days	**3,371**	4,406
271–360 days	**1,009**	1,009
Over 360 days	**21,955**	15,256
Trade receivables, gross	**89,210**	37,985
Less: Provision for impairment of receivables	**(21,523)**	(18,523)
Trade receivables, net	**67,687**	19,462

Trade receivables are due on presentation of invoices.

12. TRADE PAYABLES

Based on invoice dates, the aging analysis of the trade payables is as follows:

	2015	2014
	HK$'000	*HK$'000*
0–90 days	**57,656**	34,849
91–180 days	**3,004**	1,668
181–270 days	**2,477**	1,497
271–360 days	**932**	158
Over 360 days	**8,557**	8,770
	72,626	46,942

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of their fair value.

13. SHARE CAPITAL

Authorised

	2015 *Number*	**2015** *HK$'000*	2014 *Number*	2014 *HK$'000*
Ordinary shares of HK$1 each				
At beginning of the year	**–**	**–**	30,000,000,000	300,000
The concept of authorised share capital was abolished on 3 March 2014 *(Note)*	**–**	**–**	(30,000,000,000)	(300,000)
At end of the year	**–**	**–**	–	–

Issued and fully paid

	2015 *Number*	**2015** *HK$'000*	2014 *Number*	2014 *HK$'000*
At beginning of the year	**19,914,504,877**	**240,597**	19,914,504,877	199,145
Transfer from share premium account and capital redemption reserve on 3 March 2014 *(Note)*	**–**	**–**	–	41,452
At end of the year	**19,914,504,877**	**240,597**	19,914,504,877	240,597

Note:

The Hong Kong Companies Ordinance, Cap. 622 (the "Ordinance") came into effect on 3 March 2014. Under s.135 of the Ordinance, shares in a company do not have a nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to the Company. Following the transitional provisions in the Ordinance, any amount standing to the credit of the share premium account and capital redemption reserve at the beginning of 3 March 2014 became part of the Company's share capital.

The use of share capital from 3 March 2014 is governed by s.149 of the Ordinance. However, the application of the amount transferred from share premium account at the beginning of 3 March 2014 is governed by the transitional provision in s.38 of Schedule 11 to the Ordinance.

14. DIVIDENDS

No dividend was paid or declared by the Company during the year (2014: Nil).

15. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform with changes in presentation in current year:

(a) The change that has been made to the comparative figures in the consolidated income statement for the year ended 31 December 2014, to be consistent with the presentation in the current year's consolidated income statement, are the branch-related expenditures of approximately HK$106,410,000 being reclassified from "Administrative expenses" to "Selling and marketing expenses".

(b) The change that has been made to the comparative figures in the consolidated statement of financial position for the year ended 31 December 2014, to be consistent with the presentation in the current year's consolidated statement of financial position, are the receipt in advance of approximately HK$164,962,000 being reclassified from "Other payables and accruals" to "Receipt in advance and deferred revenue".

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the past decade, the Group remained adamant about providing corporate IT application services for Small and Medium Enterprises (SMEs) in the PRC and striving for development of information technology. Yet the development of information technology for SMEs in the PRC was not a smooth one. From the perspective of demand side, on one hand, the overall informatization of numerous SMEs across the PRC remains at a low level due to poor external macroeconomic environment and intense competition, characteristics such as limited resources on hand, insufficient investments devoted in information technology and generally low knowledge and application level of information technology for SMEs in China become more prominent. On the other hand, these enterprises have more requirements for information technology products in terms of functions, performance and personalization. Corporate clients usually require its service providers to provide localized and face-to-face product promotions as well as long term and stable after-sales services due to complexity of enterprise-level products. From the perspective of supply side, in order to supply enterprise-level information technology products for SMEs in a large scale and in the long run, it is necessary for the suppliers to maintain a solid fundamental operating platform, and achieve a balance between standardization of operational efficiency and satisfying the personalization requirements of its clients. As a result, the development of information technology products is a difficult long term project which involves substantial preliminary costs. In addition, launching of new products and new applications requires long term promotion and building up a client base before they can receive attentions and interests from the clients. All of these put high requirements on investment strength, product development capabilities, technical skills and operational capacity of the service providers. Equally importantly, given the localized and face-to-face services requirements of the corporate clients, the difficulties in "the last kilometer" between enterprises and clients however present an almost insurmountable "natural moat" to success for the technology-oriented small and medium-sized service providers.

Thanks to the long term efforts devoted to information technology market for SMEs, the Group has successfully established a corporate e-commerce and product information operating system as well as an extensive business and services network, so as to address "the last kilometer" problems and to be well poised to achieve leapfrog development in corporate market in the future. During the year under review, with 中企動力科技股份有限公司 (CE Dongli Technology Company Limited) ("CE Dongli") and 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited) ("Xinnet") as its main business entities, the Group continued to focus on the development of its corporate IT application services business. In 2015, revenue of the Group was approximately HK$808.3 million (2014: HK$784.8 million), representing a growth of approximately 3.0% over the corresponding period last year. Net profit before income tax was approximately HK$59.8 million (2014: net loss of HK$103.7 million). Net assets attributable to the owners of the Company were approximately HK$1,741.2 million (2014: HK$1,708.9 million), representing a value of approximately HK$0.087 (2014: HK$0.086) per share.

Business Review (Continued)

In 2015, the Group's corporate IT application services department focused on the innovation and upgrading of its self-developed products and development of new products. As compared with 2014, the Group managed to report a profit, which was mainly due to the adjustments to product structure by boosting the sales of those self-developed products having higher gross profit margin, in return recording an increase in gross profit of approximately HK$50.7 million in 2015. Furthermore, as compared with last year, the Company rised efficiency in product research and development, and increased the capitalization ratio of research and development expenditure, in return recording a decrease in research and development expenses of approximately HK$27.1 million as compared to last year. In addition, by improving of assets efficiency, the depreciation and amortization expenses recorded a decrease of approximately HK$73.9 million as compared to last year.

CE Dongli

During the year, the operating income of CE Dongli recorded an increase as compared with last year and it recorded a profit for the year as compared to the loss position for last year, successfully achieving a turnaround in its performance. The improvement in performance was mainly due to boosting the sales of those self-developed products having higher gross profit margin, in return recording a significant increase in gross profit as compared with last year. Furthermore, as compared with last year, the Group improved its efficiency in research and development and the proportion of its capitalized research and development expenses, in return recording a decrease in research and development expenses as compared with the corresponding period last year. In addition, by strengthening the management of its efficiency in asset utilization, the depreciation and amortization expenses recorded a significant decrease as compared with last year.

During the year, in addition to focusing on its traditional businesses such as website constructions and communications for SMEs, CE Dongli continued to explore innovative business models and put more efforts in the research and development of new products. CE Dongli also dedicated to boosting the market shares of those self-developed products having higher gross profit margin in its course of business and achieved a considerable increase in its market shares accordingly. In order to help addressing online marketing problems faced by SMEs, CE Dongli successfully launched a new business by providing easy, efficient, convenient and comprehensive online integrated marketing services for SMEs at the beginning of 2015, and further provided mobile promotion services in September 2015.

Business Review (Continued)

Xinnet

During the year, Xinnet recorded an increase in the revenue and a significant decrease in net loss before tax as compared with last year. The decrease in loss was mainly due to boosting the sales of those self-developed products having higher gross profit margin, resulting in a significant increase in gross profit correspondingly.

During the year, Xinnet continued its domain name registration business, cloud computing business and synergistic communication business, and actively developed various application and value-added products. As for its domain name registration business, Xinnet introduced new top-level domain products. As for its synergistic communication business, Xinnet continued to improve its services and renewal rate. However, due to progressive participation in internet-based services industry by domestic and international leading internet services providers, Renminbi depreciation which led to a rise in costs of domain names, together with booming mobile internet development, the competition of such industry in which Xinnet operated has been intensifying. Various suppliers have adopted dumping of domain names and cloud computing products at low prices as one of its major moves for tapping into and securing market shares in corporate information technology market. As such, brand names have become one of the major selection criteria for cloud computing products.

Prospects

The management of the Company is optimistic towards the rapid development of corporate IT application services for SMEs in the PRC. The "Internet+" strategy has been creating a new ecological environment for the development of industries and businesses in the PRC. As the largest and most innovative group in the PRC, SMEs will gradually enjoy new business opportunities and vitality brought by "Internet+". Despite the development of such group has been adversely affected by the current economic downturn, SMEs will usher in a new development opportunity along with the adjustment and upgrading of industrial structure and consumption structure and macroeconomic bottom-out. The management believes that SMEs in the PRC will continue to increase its investment in information technology in the future. Although it still needs some time for market ramp-up and promotion, but enterprise-level IT application services business will enjoy extensive market space. Therefore, the Group will continue to cultivate and develop this market in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Prospects (Continued)

In the coming year, the Group will spare no effort in product upgrades and sales strategy optimization, accelerating the research and development and promotion of its new products, namely e-commerce solutions, domain name trading platform and domain name ecosystem, and expanding its overall market share through development and operation of market segments. The Group will also enhance its core competitiveness and consolidate its market position by continuous research and development in cloud computing technology and product optimization. Meanwhile, the Group will optimize its operating services, enhance its operating efficiency and increase its investment in information technology platform optimization so as to improve its service quality and operational efficiency.

Financial Resources and Liquidity

The Group continued to adopt prudent funding and treasury policies. As at 31 December 2015, net assets attributable to the owners of the Company amounted to approximately HK$1,741.2 million (2014: HK$1,708.9 million), including cash and bank balances of approximately HK$128.4 million (2014: HK$58.7 million) which were mainly denominated in Renminbi and Hong Kong dollars. As at 31 December 2015, the Group's aggregate borrowings were approximately HK$246.6 million (2014: HK$314.7 million), of which approximately HK$108.1 million (2014: HK$294.7 million) were bearing interest at fixed rates while approximately HK$138.5 million (2014: HK$20.0 million) were at floating rates.

As at 31 December 2015, the Group's gearing ratio, which is calculated as net debt divided by the total equity plus net debt, was approximately 6.28% (31 December 2014: 12.86%).

As at 31 December 2015, the Group's capital commitment was approximately HK$68.6 million (31 December 2014: HK$99.6 million).

As at 31 December 2015, the Group's contingent liabilities were approximately HK$36.7 million in connection with the guarantees given to secure credit facilities.

As at 31 December 2015, certain interests in leasehold land, buildings and intangible assets with a total net carrying value of approximately HK$608.7 million were pledged to secure the credit facilities granted to the Group.

Exposure to Fluctuation in Exchange Rates

The majority of the Group's borrowings and transactions were primarily denominated in Renminbi and Hong Kong dollars. Both the operating expenses and revenue were primarily denominated in Renminbi. The Renminbi exchange rate is expected to fluctuate. The Group's reported assets, liabilities and results may be affected by the Renminbi exchange rates. Although Renminbi exchange risk exposure did not have significant impact on the Group during the year under review, the Group will keep on reviewing and monitoring the fluctuation in exchange rates between Renminbi and Hong Kong dollars, and may make appropriate foreign exchange hedging arrangements when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Employees and Remuneration Policy

The Company employs and remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and examination leave etc.. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. In general, salary review is conducted annually. As at 31 December 2015, the Group had approximately 6,138 employees (2014: 6,576 employees). The salaries of and allowances for the employees for the year ended 31 December 2015 were approximately HK$606.0 million (2014: HK$608.1 million).

The Group focuses on providing skill and quality training for various levels of staff, and provides on-the-job capability training to its staff; in respect of staff quality, corresponding training on personal work attitude and work habits is also provided.

FINAL DIVIDEND

The directors of the Company have resolved not to recommend the declaration of any final dividend for the year ended 31 December 2015 (2014: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 6 June 2016. For details of the annual general meeting, please refer to the Notice of Annual General Meeting which is expected to be published on or before 25 April 2016.

CLOSURE OF REGISTER

The register of members of the Company will be closed from 31 May 2016 to 6 June 2016, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the forthcoming annual general meeting. In order to register the transfers, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 30 May 2016.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2015 and as of the date of this announcement, except for the deviations mentioned below:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer (the "CEO") should be separated and should not be performed by the same individual.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE (CONTINUED)

The Company has not appointed a CEO. The role of the CEO is also performed by Mr. Yu Pun Hoi who is the chairman of the Company. The Board believes that vesting the roles of both chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term subject to re-election.

The non-executive directors of the Company are not appointed for a specific term. However, all non-executive directors are subject to the retirement and rotation requirements in accordance with the Company's articles of association. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Code Provision A.5.1 stipulates that the majority of the nomination committee shall be independent non-executive directors.

Following the resignation of Mr. Hu Bin on 3 February 2016, the nomination committee of the Company ("Nomination Committee") was comprised of two executive directors and two independent non-executive directors respectively, namely Mr. Yu Pun Hoi, Ms. Chen Dan, Prof. Jiang Ping and Mr. Fung Wing Lap. The Nomination Committee was not comprised of the majority of the independent non-executive directors.

The Company will make efforts to identify suitable candidates to fill the vacancy of the Nomination Committee as soon as possible within three months from the effective date of the resignation of Mr. Hu Bin.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code as set out in Appendix 10 to the Listing Rules throughout the year ended 31 December 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Following the resignation of Mr. Hu Bin on 3 February 2016, there are currently two independent non-executive directors and members of the audit committee of the Company, while there is a vacancy for the chairman of the remuneration committee of the Company. Accordingly, as at the date of this announcement, the Company was temporarily unable to fulfill:

(i) Rule 3.10(1) of the Listing Rules which requires the Board to have at least three independent non-executive directors;

(ii) Rule 3.10A of the Listing Rules which requires the number of independent non-executive directors to be at least one-third of the Board;

(iii) Rule 3.21 of the Listing Rules which requires the audit committee to have at least three members; and

(iv) Rule 3.25 of the Listing Rules which requires the chairman of the remuneration committee to be an independent non-executive director.

The Company will make efforts to identify suitable candidates to fill the vacancies of the independent non-executive directors, the chairman of remuneration committee and members of the audit committee as soon as possible in accordance with the Rule 3.11 of the Listing Rules within three months from the effective date of the resignation of Mr. Hu Bin.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all the independent non-executive directors of the Company, namely Mr. Fung Wing Lap and Prof. Jiang Ping. The Audit Committee has reviewed with the auditor of the Company and the management this results announcement and the audited consolidated financial statements of the Group for the year ended 31 December 2015 and discussed the auditing, financial control, internal control and risk management systems.

SCOPE OF WORK PERFORMED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Company's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015. The work performed by BDO 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 BDO on the preliminary results announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Hong Kong Stock Exchange and the Company (http://www.sino-i.com). The 2015 annual report of the Company containing all the relevant information required by Appendix 16 to the Listing Rules will be published on the websites of the Hong Kong Stock Exchange and the Company and despatched to shareholders of the Company on or before 25 April 2016.

By order of the Board
Sino-i Technology Limited
Yu Pun Hoi
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the directors of the Company are as follows:

Executive directors:	*Non-executive directors:*	*Independent non-executive directors:*
Mr. Yu Pun Hoi	Mr. Wang Gang	Prof. Jiang Ping
Ms. Chen Dan	Mr. Lam Bing Kwan	Mr. Fung Wing Lap
Ms. Liu Rong		