2014 Annual Report

中國投資基金有限公司

CHINA INVESTMENT FUND COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 00612

Contents

2	Corporate Information
3	Management Discussion and Analysis
5	Biographical Details of Directors
7	Report of the Directors
12	Corporate Governance Report
20	Independent Auditor's Report
22	Consolidated Statement of Profit or Loss
23	Consolidated Statement of Profit or Loss and Other Comprehensive Income
24	Consolidated Statement of Financial Position
25	Consolidated Statement of Changes in Equity
26	Consolidated Statement of Cash Flows
27	Notes to the Consolidated Financial Statements
70	Five Years Financial Summary

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Luk Hong Man, Hammond *(Financial Controller)*
Ye Yinggang
Zhang Xi

Independent Non-executive Directors

Wong Chung Kin, Quentin
Tsang Kwok Wa, Edward
Ng Man Fai, Matthew

COMPANY SECRETARY

Hong Lai Ping

AUDIT COMMITTEE

Wong Chung Kin, Quentin *(Chairman)*
Tsang Kwok Wa, Edward
Ng Man Fai, Matthew

REMUNERATION COMMITTEE

Ng Man Fai, Matthew *(Chairman)*
Wong Chung Kin, Quentin
Tsang Kwok Wa, Edward

NOMINATION COMMITTEE

Tsang Kwok Wa, Edward *(Chairman)*
Luk Hong Man, Hammond
Ng Man Fai, Matthew

INVESTMENT MANAGER

Asia Investment Management Limited
14B, Vulcan House
21–23 Leighton Road
Causeway Bay
Hong Kong

CUSTODIAN

DBS Bank Ltd. Hong Kong Branch
18/F, The Center
99 Queen's Road Central
Hong Kong

PRINCIPAL BANKER

Bank of Communications Company Limited
20 Pedder Street
Central
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

HLM CPA Limited
Certified Public Accountants
Room 305
Arion Commercial Centre
2–12 Queen's Road West
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1–1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

23/F., Sunshine Plaza
353 Lockhart Road
Wanchai
Hong Kong

STOCK CODE

00612 (Listed on the Main Board of The Stock Exchange of Hong Kong Limited)

WEBSITE

www.cifund.com.hk

Management Discussion and Analysis

BUSINESS REVIEW

Escalating tension in Eurasia, the continuing liquidity injection into the financial sector, together with the significant impact on energy price due to the conflicts in Ukraine and the Middle East, they have caused a volatility in the global market. Under the uncertain investment environment, the Directors have taken the cautiously defensive measure and prudent investment strategy to manage the portfolio of investments of the Group.

For the year ended 31 December 2014, the Group recorded a net loss of approximately HK$35,599,000 (2013: approximately HK$19,998,000), representing an increase in net loss of approximately HK$15,601,000 or 78% as compared to last year. The loss was mainly due to the realised loss on disposal of available-for-sale financial assets and the increase in administrative expenses.

SECURITIES INVESTMENTS

The Board exercised caution when managing the investment process during the year. For the year ended 31 December 2014, the Group recorded an audited revenue of approximately HK$899,000 (2013: approximately HK$1,718,000), decreased by approximately 48% over the previous year. The Group made a net realised loss on disposal of available-for-sale financial assets of approximately HK$3,241,000 (2013: net realised gain of approximately HK$1,337,000).

Given the fluctuation in the worldwide financial markets, the Board will continue to identify any investment opportunities and manage the investment portfolio in accordance with the Company's investment objective and policy with a view of gaining good investment yields for our shareholders. We will monitor market development closely with a view of identifying attractive and long-term investment opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash and cash equivalents of approximately HK$38,769,000 as at 31 December 2014 (2013: approximately HK$18,422,000).

The Group's gearing ratio, representing the total debt divided by equity attributable to equity holders of the Company, was not applicable as the Group did not have any bank loans or borrowings as at 31 December 2014 and 2013.

There were no capital commitments as at 31 December 2014 which would require a substantial use of the Group's present cash resources or external funding (2013: Nil). The Group did not have any material contingent liability as at 31 December 2014 (2013: Nil).

Exchange risk of the Group is minimal as the assets of the Group comprised substantially of bank deposits denominated in Hong Kong dollars. It is the Group's policy to adopt a prudent financial management strategy to meet risk fluctuation and investment opportunities.

ESTABLISHMENT OF SUBSIDIARIES AND DISPOSAL OF SUBSIDIARIES

Total 9 subsidiaries were established and 7 subsidiaries were disposed of during the year ended 31 December 2014.

CAPITAL STRUCTURE

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the year, there is no movement in the Company's share capital.

PROSPECTS

Despite a weakening housing market and the ongoing anti-corruption campaign's impact on the overall economy, China achieved a 7.4% annual GDP growth rate in 2014. The economy is expected to slow down gradually this year, in line with the government's strategy to promote more balanced economic growth. However, supportive government policies should limit the downside risks as Premier Li Keqiang set the economic growth target for China at around 7% this year. Directors believe that the long term importance of Shanghai-Hong Kong Stock Connect Scheme is underestimated and become optimistic about several sectors with solid fundamentals and favorable government policies.

EMPLOYEE INFORMATION

As at 31 December 2014, the Company had 21 employees (2013: 17), including executive Directors and independent non-executive Directors. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF FURTHER INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

All the financial and other related information of the Group required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") will be dispatched to our shareholders on or before 30 April 2015 and published on the websites of the Stock Exchange and the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of member of the Company will be closed from Thursday, 25 June 2015 to Monday, 29 June 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM to be held on Monday, 29 June 2015, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2015.

EXECUTIVE DIRECTORS

Mr. Luk Hong Man, Hammond ("Mr. Luk"), aged 34, is currently a member of the Certified General Accountants Association of Canada and the Association of Chartered Certified Accountants. Mr. Luk is also a fellow member of the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries and the Hong Kong Institute of Directors respectively. Mr. Luk obtained a degree of bachelor of laws from University of London and a degree of bachelor of commerce from University of Alberta. Mr. Luk has about ten years of experience in management accounting, financial control, internal audit and compliance through his previous employment with different companies in Canada and Hong Kong. Prior to joining the Company, Mr. Luk had worked as an executive director and compliance officer in Media Asia Group Holdings Limited (stock code: 8075) and an executive officer in charge of the accounting and finance department in China Public Procurement Limited (stock code: 1094).

Mr. Ye Yinggang ("Mr. Ye"), aged 41, is a Chartered Financial Analyst (CFA) charterholder and has over 14 years of experience in the PRC finance and securities industry. Mr. Ye has been the director of investment, head office of asset management branch, Central China Securities Co. Ltd. since April 2011. Mr. Ye was a member of the QFII team of Power Corporation of Canada, a company incorporated in Canada and listed on the Toronto Stock Exchange (POW. TO), from July 2004 to March 2011. He was responsible for research and investment on equity market in the PRC and Hong Kong. Mr. Ye obtained a master of Business Administration from Guanghua Management College, Peking University in 2005 and a bachelor's degree in finance from The College of Economics, Minzu University of China in 1998. Mr. Ye currently holds a licence as Securities Industry General Practitioner with the Securities Association of China.

Mr. Zhang Xi ("Mr. Zhang"), aged 46, has over 13 years of experience in the financial sector. He is currently a Chartered Financial Analyst (CFA) charterholder. Mr. Zhang graduated with a Bachelor's degree in Science (Electrical Engineering) from Shanghai Jiao Tong University in July 1991. Mr. Zhang obtained an International Master's degree of Business Administration from York University in Canada in 1998. Mr. Zhang was appointed as an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351) and Media Asia Group Holdings Limited (stock code: 8075) in March 2006 and September 2009 respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chung Kin, Quentin ("Mr. Wong"), is a fellow member of Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong and Association of Chartered Certified Accountants. He is also a member of The Society of Chinese Accountants & Auditors and The Institute of Chartered Accountants in England and Wales. He holds a bachelor of Arts degree in Accounting and Financial Management from University of Essex and a master degree of Science in Internal Auditing and Management from The City University, London. He has over 10 years working experience in audit and accounting gained from a sizeable international firm. He has set up his own practice, Quentin Wong & Co. Certified Public Accountants (Practising) since 1 January 2005 and has had over 10 years of practicing experience. He also taught the master degree course at the Open University of Hong Kong in 2005 and 2006. Mr. Wong was appointed as an independent non-executive director of Value Convergence Holdings Limited (Stock Code: 821) in March 2012.

Mr. Tsang Kwok Wa, Edward ("Mr. Tsang"), aged 49, is a member of the Hong Kong Institute of Certified Public Accountants, a member of the CPA Australia and a fellow member of the Taxation Institute of Australia. He holds a master degree of commerce with major in accounting from Charles Sturt University in Australia. He has over 22 years of experience in accounting area. Mr. Tsang was appointed as an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351) in July 2007 and resigned in June 2010.

Mr. Ng Man Fai, Matthew ("Mr. Ng"), aged 47, is a member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a provisional member of the Institute of Certified Public Accountants of Singapore. He is also an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries, and an associate member/certified tax adviser of The Taxation Institute of Hong Kong. Mr. Ng holds a Master of Accountancy from Charles Sturt University, Australia, and a Bachelor of Business Administration from the University of East Asia, Macau. Mr. Ng has over 24 years working experience in audit and accounting, gained from international firms and companies listed on the Stock Exchange. He is currently a deputy financial controller of Burwill Holdings Limited (Stock Code: 24).

The Directors of the Company (the "Directors") are pleased to present their annual report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investing in listed and unlisted securities. The activities of the subsidiaries of the Company are set out in note 26 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 22 to 69. The Directors do not recommend the payment of a final dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 19 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company during the year are set out in note 20(b). Under the Companies Law of the Cayman Islands, share premium of the Company is available for distributions or paying dividends to the shareholders subject to the provisions of its Memorandum ("Memorandum") and Articles of Association ("Articles") and a statutory solvency test. In accordance with Article 143 of the Articles, dividends may be declared and paid out of the profit of the Company or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared or paid out of share premium account. There were no reserves available for distribution in both years ended 31 December 2014 and 2013.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's entire revenue is derived from the Group's investments in listed and unlisted securities and financial institutions and thus the disclosure of customers and suppliers information would not be meaningful.

DIRECTORS

As at the date of this annual report, the Board consists of the following Directors:

Executive Directors

Luk Hong Man, Hammond (Financial Controller)
Ye Yinggang
Zhang Xi

Independent Non-executive Directors

Wong Chung Kin, Quentin
Tsang Kwok Wa, Edward
Ng Man Fai, Matthew

At the forthcoming annual general meeting ("AGM") of the Company, two Directors will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with the Articles.

None of the Directors proposed for re-election at the AGM has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2014, none of the Directors, the executive of the Company or any of their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its subsidiaries or other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 21 to the consolidated financial statements. No option has been granted or agreed to be granted under the share option scheme since the date of adoption of the scheme.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme as disclosed in note 21 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that other than being a Director or the executive of the Company, the following shareholders had notified the Company of the relevant interests amounting to 5% or more of the ordinary shares in issue:

Long position

Name	Number of shares	Type of interest	Approximately percentage of issued share capital of the Company
Yao Yuan	77,176,000	Beneficial Owner	10.09%

Save as disclosed above, the Directors are not aware of any person who has an interest or short position in the shares or underlying shares of the Company (which is discloseable under Divisions 2 and 3 of the Part XV of the SFO), or is directly or is indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (which is discloseable under the Listing Rules).

CONNECTED TRANSACTION AND DIRECTORS' INTEREST IN CONTRACT OF SIGNIFICANCE

Details of transaction regard as connected transaction and required to be disclosed as defined under the Listing Rules, is as follow:

Under the investment management agreement dated 31 January 2013 (the "Investment Management Agreement") entered into between the Company and Asia Investment Management Limited, (the "Investment Manager"), the Investment Manager agreed to provide the Company with investment management services commencing from 1 February 2013 to 31 January 2015. Moreover, the Company has extended the Investment Management Agreement to 31 January 2017, by entering into the supplemental Investment Management Agreement on 30 January 2015. The Investment Manager is defined as connected person of the Company pursuant to the Rule 21.13 of the Listing Rules. Under both the Investment Management Agreement and the Supplemental Investment Management Agreement, the investment management fee payable to the Investment Manager shall be HK$80,000 per month. The Company shall also reimburse the Investment Manager for all its expenses incurred in relation to the performance of its duties up to a maximum amount of HK$200,000 per annum.

The independent non-executive Directors have confirmed that the above transactions were conducted (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms and (3) in accordance with the relevant agreement governing them that terms are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Company confirms that it has received written confirmation from its auditors confirming the matters stated under Rule 14A.38 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold nor redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2014, the Directors had not aware of any business or interest of the Directors and their associates that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group.

AUDIT COMMITTEE

The Company currently comprised solely of independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin (chairman), Mr. Tsang Kwok Wa, Edward and Mr. Ng Man Fai, Matthew. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with the management of the Company including a review on the consolidated financial statements of the Group for the year ended 31 December 2014.

CORPORATE GOVERNANCE

Details of the Company's corporate governance are set at the Corporate Governance Report on page 12 to 19 of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2014.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata to existing shareholders of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 December 2014.

FIVE YEAR SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 70.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

AUDITOR

The consolidated financial statements for the year ended 31 December 2014 were audited by HLM CPA Limited who will retire and seek for re-election at the forthcoming AGM.

On behalf of the Board
China Investment Fund Company Limited

Luk Hong Man, Hammond
Hong Kong, 16 March 2015

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Following the issue of the Code on Corporate Governance Practices (the "CG Code"), as set out in Appendix 14 of the Listing Rules, the Company has carefully reviewed and considered its provisions, and carried out a detailed analysis on the corporate governance practices of the Company against the requirements of the CG Code. We have, throughout the year ended 31 December 2014, complied with the code provisions of the CG Code as and when they were/are applicable and in force, except for the deviations from code provisions A.2.1 and E.1.2 set out as below:

Code Provision A.2.1

In accordance with Code Provision A.2.1, it stipulates that the roles of the chairman and the chief executive are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Board has not appointed individuals to the posts of chairman and chief executive. The Board is in the process of identifying suitable candidates to fill in the vacancies for chairman and chief executive in compliance with the requirement of the Code Provision A.2.1. Further announcement will be made by the Company with regard to the new appointment of chairman and chief executive of the Company in due course.

Code Provision E.1.2

In accordance with Code Provision E.1.2, it stipulates that the chairman of the Board should attend the annual general meeting ("AGM"). No chairman of the Board had attended the AGM of the Company held on 26 June 2014 as the Board is in the process of identifying suitable candidate to fill in the vacancy for chairman. The said AGM was chaired by an executive Director.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. 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 2014.

BOARD OF DIRECTORS

Composition and role

The board of directors (the "Board") of the Company comprises:

Executive Directors:	Luk Hong Man, Hammond Ye Yinggang Zhang Xi
Independent Non-executive Directors:	Wong Chung Kin, Quentin Tsang Kwok Wa, Edward Ng Man Fai, Matthew

There is no relationship between members of the Board.

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Company. It also decides on matters such as annual and interim results, major transactions, Director's appointments or re-appointments, and dividend and accounting policies.

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors.

The key responsibilities of the Board include the formulation of the Group's overall strategies, setting performance targets, regulate and maintain internal controls, monitoring financial reporting process and manage day-to-day business operations. The Board is responsible to promote the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner which the affairs of the Company are managed, controlled and operated.

The Board comprises of three executive Directors and three independent non-executive Directors. The biographical details of all Directors are presented on page 5 and 6 of this annual report. Two Directors are subject to retirement by rotation and re-election at the forthcoming AGM to be held on 29 June 2015, being eligible, offer themselves for re-election.

Three independent non-executive Directors, namely Mr. Wong Chung Kin, Quentin, Mr. Tsang Kwok Wa, Edward and Mr. Ng Man Fai, Matthew possess appropriate professional accounting qualifications and financial management expertise, which satisfies Rule 3.10(2) of the Listing Rules. Through positive contributions to the Board and committee works, the independent non-executive Directors provide independent directives and views on important decisions in respect of strategic developments, corporate governance practices, financial reporting framework, internal controls and risk management.

The Board currently has three principal board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The independent non-executive Directors bring independent judgement on issues of strategic direction, development, performance and risk management through their contribution at board meetings and committee work. Pursuant to Rule 3.13 of the Listing Rules, the Company has received from each of the independent non-executive Director an annual confirmation of independence and the Company considers that all of the independent non-executive Directors are independent.

Board meetings and Directors' Attendance

The full Board meets regularly and on other occasions when a Board decision is required on major issues. Details of Directors' attendance at the AGM and board meeting held in 2014 are set out in the following table:

Name of Directors	Meeting attended/held: Board meeting	Meeting attended/held: AGM held on 26 June 2014
Executive Directors		
Luk Hong Man, Hammond	43/43	1/1
Ye Yinggang	43/43	0/1
Zhang Xi	43/43	1/1
Independent Non-executive Directors		
Wong Chung Kin, Quentin	6/43	1/1
Tsang Kwok Wa, Edward	6/43	0/1
Ng Man Fai, Matthew	6/43	1/1

Directors' Training and Professional Development

During the year, all Directors participated in continuous professional development to develop and refresh their knowledge and skill by way of attending seminars, briefings or training courses and reading the relevant materials. The Company has arranged in-house trainings related to "Finance for Director".

In addition, every newly appointed Director will receive an introduction on the first occasion of his appointment, so as to ensure that he has a proper understanding of the operations and business of the Company, and his responsibilities under the Listing Rules and relevant regulatory requirements.

According to the records maintained by the Company, the Directors received the training in compliance with the requirement of the Code on continuous professional development during the period from 1 January 2014 to 31 December 2014:

Name of Directors	Reading materials	Attending seminars/ briefings/ training courses
Executive Directors		
Luk Hong Man, Hammond	✓	✓
Ye Yinggang	✓	✓
Zhang Xi	✓	✓
Independent Non-executive Directors		
Wong Chung Kin, Quentin	✓	✓
Tsang Kwok Wa, Edward	✓	✓
Ng Man Fai, Matthew	✓	✓

Chairman and Chief Executive

The roles of the Chairman and the Chief Executive are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is responsible for the leadership and effective running of the Board. The Chief Executive is delegated with the authorities to manage the Group's business in all aspects effectively, implement major strategies, make day-to-day decision and coordinate overall business operation.

The Board has not appointed individuals to the posts of Chairman and Chief Executive. The Board is in the process of identifying suitable candidates to fill in the vacancies for Chairman and Chief Executive in compliance with the requirement of the Code Provision A.2.1. Further announcement will be made by the Company with regard to the new appointment of Chairman and Chief Executive of the Company in due course.

Appointments, Re-election and Removal

In accordance with Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, all independent non-executive Directors have been appointed for a specific term of 3 years but are subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

In accordance with our Articles, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee for overseeing particular aspects of the affairs of our Company. These committees are established with written terms of reference. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are available on our website and on the website of The Stock Exchange of Hong Kong Limited.

Audit Committee

Audit Committee currently comprised solely of independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin (chairman), Mr. Tsang Kwok Wa, Edward and Mr. Ng Man Fai, Matthew. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management including a review of the consolidated financial statements of the Group for the year ended 31 December 2014.

The Group's 2014 audited financial statements had been duly reviewed by the Audit Committee with the auditor. The members of the Audit Committee unanimously recommended for approval by the Board. The Audit Committee has concluded that it is satisfied with the professional performance of the auditor and therefore recommends the Board that HLM CPA Limited ("HLM") be re-appointed as our auditor in the AGM.

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2014 consolidated financial statements of the Company, the Directors, both collectively and individually applied such degree of skill, care and diligence as may reasonably be expected of under the Rule 3.08 of the Listing Rules.

HLM was appointed as auditor of the Company until conclusion of the AGM. During the year, the remuneration paid for the services provided by the auditor is as follow:

Audit services	HK$330,000

The Audit Committee held two meetings during 2014. The Committee recommended the Board regarding the re-appointment of HLM to act as the auditor of the Company and its subsidiaries and has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management including a review of the consolidated financial statements for the period ended 30 June 2014 and for the year ended 31 December 2013.

The attendance of each member at the Audit Committee meetings is as follows:

Audit Committee members	Meetings attended/held
Independent Non-executive Directors	
Wong Chung Kin, Quentin, Chairman	2/2
Tsang Kwok Wa, Edward	2/2
Ng Man Fai, Matthew	2/2

Remuneration Committee

Remuneration Committee currently comprised solely of independent non-executive Directors, namely, Mr. Ng Man Fai, Matthew (chairman), Mr. Wong Chung Kin, Quentin and Mr. Tsang Kwok Wa, Edward.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and making recommendations to the Board on the remuneration packages of individual executive Director and senior management.

The Remuneration Committee held two meetings during 2014 to discuss about the remuneration package of Directors and make recommendation to the Board on the amount of discretionary bonus for the Directors and senior management.

The attendance of each member at the Remuneration Committee meetings is as follows:

Remuneration Committee members	Meetings attended/held
Independent Non-executive Directors	
Wong Chung Kin, Quentin	2/2
Tsang Kwok Wa, Edward	2/2
Ng Man Fai, Matthew, Chairman	2/2

Nomination Committee

The Nomination Committee comprised of executive Director, namely, Mr. Luk Hong Man, Hammond, independent non-executive Directors, namely, Mr. Ng Man Fai, Matthew and Mr. Tsang Kwok Wa, Edward. Mr. Tsang Kwok Wa, Edward is the chairman of the Nomination Committee.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of the independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee formulated the Board diversity policy and the Company has adopted the Board diversity policy in August 2013. The Company recognises and embraces the benefits of diversity in Board members. Selection of Board members will be based on a range of diversified perspectives, including but not limited to gender, age, ethnicity, cultural and educational background, or professional experience. All Board appointments will be based on merit and the needs of the Company's business while taking into account diversity. The Nomination Committee also monitors the implementation of this policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under this policy.

The Nomination Committee held one meeting during 2014 to make recommendation to the Board on the re-election of Directors, review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and review and discuss the Board diversity policy.

The attendance of each member at the Nomination Committee meeting is as follows:

Nomination Committee members	Meetings attended/held
Executive Director	
Luk Hong Man, Hammond	1/1
Independent Non-executive Directors	
Tsang Kwok Wa, Edward, Chairman	1/1
Ng Man Fai, Matthew	1/1

INTERNAL CONTROLS

The Board has the responsibility to maintain an effective internal control system in order to safeguard the Group's assets and protect the shareholders' interests. The Board assesses the effectiveness of the internal control system and procedures derived from discussions with the Directors and reviews conducted by the Audit Committee. The Board believes that the existing internal control system is adequate and effective.

COMPANY SECRETARY

Ms. Hong Lai Ping was appointed as the Company Secretary of the Company on 5 February 2010 and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Directors of the Company and is responsible for advising the Board on governance matters. According to the Rule 3.29 of the Listing Rules, the Company Secretary has taken not less than 15 hours of relevant professional training during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility for preparing the Group's consolidated financial statements in accordance with statutory requirements and applicable accounting standards. The responsibilities of the Directors are to prepare the financial accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Directors also acknowledge that the publication of the consolidated financial statements should be distributed to the shareholders of the Company in a timely manner. In preparing the accounts for the year ended 31 December 2014, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent, fair and reasonable and prepared accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Procedures for convening an extraordinary general meeting and putting forward proposals at general meeting

Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company at the principal place of business in Hong Kong situated at 23/F., Sunshine Plaza, 353 Lockhart Road, Wanchai, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions under the Company's Articles or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

ENQUIRIES TO THE BOARD

The Board always welcomes shareholders' views and input. Shareholders may at any time send their enquiries and concerns to the Board by addressing them to Company Secretary of the Company and the contact details are as follows:

Company Secretary
China Investment Fund Company Limited
23/F., Sunshine Plaza, 353 Lockhart Road, Wanchai, Hong Kong
Email: info@cifund.com.hk
Tel. No.: (852) 2838 9806
Fax No.: (852) 2838 6782

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2014, the Company has not made any changes to its Memorandum and Articles.

Independent Auditor's Report

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

TO THE SHAREHOLDERS OF CHINA INVESTMENT FUND COMPANY LIMITED
中國投資基金有限公司
(Incorporated as an exempted company in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Investment Fund Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 22 to 69, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLM CPA Limited
Certified Public Accountants
Ho Pak Tat
Practising Certificate Number: P05215
Hong Kong

16 March 2015

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014

	Notes	2014 HK$	2013 HK$
Revenue	6	**899,371**	1,718,126
Net realised (loss) gain on disposal of available-for-sale financial assets		**(3,241,210)**	1,336,598
Net realised gain on disposal of financial assets at fair value through profit or loss		**856,396**	993,920
Net gain (loss) arising on revaluation of financial assets at fair value through profit or loss		**877,460**	(8,448)
		(607,983)	4,040,196
Other income	6	**63,172**	247,983
Gain on disposal of subsidiaries	25	**780**	321,892
Administrative expenses		**(35,054,678)**	(24,500,899)
Finance costs	8	**(727)**	(107,240)
Loss before tax	9	**(35,599,436)**	(19,998,068)
Income tax expense	10	**—**	—
Loss for the year attributable to owners of the Company		**(35,599,436)**	(19,998,068)
Loss per share	13		
— Basic (HK cents per share)		**(4.65)**	(2.61)
— Diluted (HK cents per share)		**(4.65)**	(2.61)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Note	**2014** **HK$**	2013 HK$
Loss for the year attributable to owners of the Company		**(35,599,436)**	(19,998,068)
Other comprehensive (expenses) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss) gain on translation of available-for-sale financial assets		**(3,146)**	3,011
Exchange differences arising on translation of a foreign operation		**—**	(586)
Reclassification of exchange differences upon disposal of available-for-sale financial assets		**7,160**	—
Reclassification of exchange differences upon disposal of subsidiaries	25	**—**	(14,814)
Net (loss) gain arising on revaluation of available-for-sale financial assets		**(10,578,330)**	18,010,793
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets		**(3,861,706)**	1,623,597
Other comprehensive (expenses) income for the year, net of tax		**(14,436,022)**	19,622,001
Total comprehensive expenses attributable to owners of the Company		**(50,035,458)**	(376,067)

Consolidated Statement of Financial Position

At 31 December 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Property, plant and equipment	14	**4,348,713**	5,593,041
Available-for-sale financial assets	15	**59,932,200**	162,692,895
		64,280,913	168,285,936
Current assets			
Prepayments, deposits and other receivables	16	**26,122,506**	2,340,780
Financial assets at fair value through profit or loss	17	**9,031,600**	234,696
Cash and cash equivalents	18	**38,769,130**	18,422,121
		73,923,236	20,997,597
Current liability			
Accruals		**796,074**	1,840,000
Net current assets		**73,127,162**	19,157,597
Total assets less current liability		**137,408,075**	187,443,533
Capital and reserves			
Share capital	19	**38,256,000**	38,256,000
Reserves	20	**99,152,075**	149,187,533
Equity attributable to owners of the Company		**137,408,075**	187,443,533
Net asset value per share	13	**0.18**	0.24

The consolidated financial statements on pages 22 to 69 were approved and authorised for issue by the Board of Directors on 16 March 2015 and are signed on its behalf by:

Luk Hong Man, Hammond	**Zhang Xi**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the Company					
	Share capital HK$	Share premium HK$	Exchange reserve HK$	Investment revaluation reserve HK$	Accumulated losses HK$	Total HK$
At 1 January 2013	38,256,000	197,332,138	8,375	(15,863,773)	(31,913,140)	187,819,600
Loss for the year	—	—	—	—	(19,998,068)	(19,998,068)
Other comprehensive income (expenses) for the year:						
Exchange gain on translation of available-for-sale financial assets	—	—	3,011	—	—	3,011
Exchange differences arising on translation of a foreign operation	—	—	(586)	—	—	(586)
Reclassification of exchange differences upon disposal of subsidiaries	—	—	(14,814)	—	—	(14,814)
Net gain arising on revaluation of available-for-sale financial assets	—	—	—	18,010,793	—	18,010,793
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	—	—	—	1,623,597	—	1,623,597
Total comprehensive income (expenses) for the year	—	—	(12,389)	19,634,390	(19,998,068)	(376,067)
At 31 December 2013 and 1 January 2014	38,256,000	197,332,138	(4,014)	3,770,617	(51,911,208)	187,443,533
Loss for the year	**—**	**—**	**—**	**—**	**(35,599,436)**	**(35,599,436)**
Other comprehensive income (expenses) for the year:						
Exchange loss on translation of available-for-sale financial assets	**—**	**—**	**(3,146)**	**—**	**—**	**(3,146)**
Reclassification of exchange differences upon disposal of available-for-sale financial assets	**—**	**—**	**7,160**	**—**	**—**	**7,160**
Net loss arising on revaluation of available-for-sale financial assets	**—**	**—**	**—**	**(10,578,330)**	**—**	**(10,578,330)**
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	**—**	**—**	**—**	**(3,861,706)**	**—**	**(3,861,706)**
Total comprehensive income (expenses) for the year	**—**	**—**	**4,014**	**(14,440,036)**	**(35,599,436)**	**(50,035,458)**
At 31 December 2014	**38,256,000**	**197,332,138**	**—**	**(10,669,419)**	**(87,510,644)**	**137,408,075**

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 HK$	2013 HK$
Cash flows from operating activities			
Loss for the year		**(35,599,436)**	(19,998,068)
Adjustments for:			
Depreciation of property, plant and equipment	14	**1,672,670**	1,565,013
Interest income	6	**(16,456)**	(1,178,228)
Interest expenses	8	**727**	107,240
Dividend income	6	**(882,915)**	(539,898)
Gain on disposal of subsidiaries	25	**(780)**	(321,892)
Loss on disposal of property, plant and equipment		**6,658**	—
Write-off of property, plant and equipment		**—**	4,791
Write-back on over-provision of rental expenses		**—**	(200,000)
Net realised loss (gain) on disposal of available-for-sale financial assets		**3,241,210**	(1,336,598)
Net realised gain on disposal of financial assets at fair value through profit or loss		**(856,396)**	(993,920)
Net (gain) loss arising on revaluation of financial assets at fair value through profit or loss		**(877,460)**	8,448
Operating cash flows before movements in working capital		**(33,312,178)**	(22,883,112)
(Increase) decrease in prepayments, deposits and other receivables		**(23,781,726)**	5,339,585
(Decrease) increase in accruals		**(1,043,926)**	1,660,369
Proceeds from disposal of financial assets at fair value through profit or loss		**11,650,655**	29,850,900
Proceeds from disposal of available-for-sale financial assets		**107,877,640**	18,896,456
Purchase of financial assets at fair value through profit or loss		**(18,713,703)**	(8,432,980)
Purchase of available-for-sale financial assets		**(22,794,177)**	(37,973,790)
Cash generated from (used in) operations		**19,882,585**	(13,542,572)
Interest paid		**(727)**	(107,240)
Net cash generated from (used in) operating activities		**19,881,858**	(13,649,812)
Cash flows from investing activities			
Interest received		**16,456**	1,172,204
Dividend received		**882,915**	296,754
Net cash inflow from disposal of subsidiaries	25	**780**	103,166
Purchase of property, plant and equipment		**(437,000)**	(652,993)
Proceeds on disposal of property, plant and equipment		**2,000**	—
Net cash generated from investing activities		**465,151**	919,131
Net increase (decrease) in cash and cash equivalents		**20,347,009**	(12,730,681)
Cash and cash equivalents at beginning of year		**18,422,121**	31,152,802
Cash and cash equivalents at end of year	18	**38,769,130**	18,422,121

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited since 2 January 2002. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of this annual report.

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 26 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)—Int 21	Levies

The application of the above amendments to HKFRSs and new interpretation 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.

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

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:

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

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

3 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

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

5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and 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.

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

New and revised HKFRSs issued but not yet effective *(continued)*

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 are described below:

- 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 value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value 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 fair value through profit or loss 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 of the Company do not anticipate that the application of HKFRS 9 will have a material impact of the Group's consolidated financial statements.

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

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

New Companies Ordinance

In addition, the requirements of Part 9, "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Group's first financial year commencing after 3 March 2014 (that is, the Group's financial year which began on 1 January 2015) in accordance with section 358 of the Hong Kong Companies Ordinance (Cap. 622). The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far, it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretation) issued by the 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.

Basis of preparation

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, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets, 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of preparation *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in subsidiaries

Investments in subsidiaries included in the Company's statement of financial position are stated at cost less any identified impairment loss.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is recognised using the effective interest rate.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, plant and equipment

Property, plant and equipment including leasehold improvements, office equipment and motor vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(d) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange difference arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currencies (continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(f) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) *Impairment*

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group has divided its financial assets in the following specified categories: (i) financial assets at fair value through profit or loss ("FVTPL"), (ii) available-for-sale ("AFS") financial assets and (iii) loans and receivables. All recognised financials assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) *Financial instruments (continued)*

Financial assets *(continued)*

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 *Financial Instruments*: *Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "revenue" line item in the consolidated statement of profit or loss. Fair value is determined in the manner described in note 5.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) *Financial instruments (continued)*

Financial assets *(continued)*

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL and loans and receivables. The Group designated certain items as AFS financial assets on initial recognition of those items.

Equity securities held by the Group that are classified as AFS financial assets that are traded in an active market are initially recognised and subsequently measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative fair value adjustment previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy on impairment loss of financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including deposits and other receivables) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) *Financial instruments (continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with exception of other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When the other receivables are considered as uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) *Financial instruments (continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments (continued)

Other financial liabilities *(continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturing at acquisition. For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at bank, including fixed deposits, which are not restricted to use.

(n) Related parties

A related party is a person or an entity that is related to the Group.

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Depreciation

The Group depreciates the property, plant and equipment over their estimated useful life and after taking into account of their estimated residual values, using the straight line method. The estimated useful life reflects the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the Directors' estimated amount that the Group would currently obtain from the disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

At 31 December 2014, no deferred tax asset has been recognised on the tax losses of HK$79,529,835 (2013: HK$61,972,887) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the estimated future assessable profits or taxable temporary difference are more than previously estimated, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which the revised estimate takes place.

5. FINANCIAL RISKS MANAGEMENT

The management of financial risks is carried out by the investment manager and/or the Board of Directors.

The Group's major financial instruments include financial assets at FVTPL, AFS financial assets, deposit, other receivables and cash and cash equivalents. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include equity price risk, credit risk, liquidity risk, interest rate risk and foreign currency risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

5.1 Classifications and fair value of financial assets

The table below provided a reconciliation of the line items in the consolidated statement of financial position to the categories of financial instruments.

At 31 December 2014	AFS financial assets HK$	Financial assets at FVTPL HK$	Loan and receivables HK$	Total carrying amount HK$
AFS financial assets	59,932,200	—	—	59,932,200
Deposits and other receivables	—	—	24,935,806	24,935,806
Financial assets at fair value through profit or loss	—	9,031,600	—	9,031,600
Cash and cash equivalents	—	—	38,769,130	38,769,130
	59,932,200	9,031,600	63,704,936	132,668,736

At 31 December 2013	AFS financial assets HK$	Financial assets at FVTPL HK$	Loan and receivables HK$	Total carrying amount HK$
AFS financial assets	162,692,895	—	—	162,692,895
Deposits and other receivables	—	—	1,180,620	1,180,620
Financial assets at fair value through profit or loss	—	234,696	—	234,696
Cash and cash equivalents	—	—	18,422,121	18,422,121
	162,692,895	234,696	19,602,741	182,530,332

The Directors consider that the carrying amounts of financial assets recognised in the consolidated financial statements approximate their fair values.

5. FINANCIAL RISKS MANAGEMENT *(continued)*

5.2 Risk management

(a) *Equity price risk*

The Group is exposed to equity price risk mainly through its investment in listed equity securities. The Group's strategy for the management of equity price risk is driven by the Group's investment objective. The Group's equity price risk is managed on a daily basis by the investment manager and the Board of Directors in accordance with policies and procedures in place. The Group's market positions are monitored on a regular basis by the Board of Directors, and the investments in equity of other entities are Hong Kong listed securities. Decisions to buy or sell financial assets are based on daily monitoring of the performance of individual financial assets compared to that of the relevant stock market index and other industry indicators, as well as the Group's liquidity needs. To manage its price risk arising from the financial assets, the Group maintains a portfolio of diversified investments in terms of industry distribution such as manufacturing and financial services. In addition, the Group's management and investment manager have monitored price risk and will consider hedging of the risk exposure if necessary.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to financial assets price risk at the reporting date. For sensitivity analysis purpose, the sensitivity rate remained at 15% in the current year.

If financial assets prices had been 15% higher/lower (2013: 15%), loss for the year ended 31 December 2014 would decrease/increase by HK$1,354,740 (2013: HK$35,204) which is mainly due to the changes in fair value of financial assets at fair value through profit or loss. Also, if the fair value of the AFS financial assets had increased/decreased by 15% (2013: 15%) and all other variables were held constant, the other comprehensive income would increase/decrease by HK$8,989,830 (2013: HK$24,403,934).

(b) *Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. Financial assets which potentially subject the Group to concentrations of credit risk consist principally of AFS financial assets, financial assets at FVTPL, other receivables and bank balances.

The Group limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings which the Group considers to be well established. All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

5. FINANCIAL RISKS MANAGEMENT *(continued)*

5.2 Risk management *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's investment in listed securities are considered readily realisable, as all securities are listed on the Hong Kong Stock Exchange. The Group does not have any financial liabilities as at 31 December 2014 and 2013.

(d) Interest rate risk

The Group's variable interest bearing bank deposits are exposed to interest rate risk which is considered to be minimal.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2013: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2013: 100 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2014 would decrease/increase by HK$387,373 (2013: HK$183,740). This is mainly attributable to the Group's exposure to interest rates on its interest bearing bank deposit.

(e) Foreign currency risk

The functional currency of the Group is HK$ in which most of the transactions are denominated. The major foreign currency of the Group is United States dollars. As HK$ is pegged to the United States dollars, the Group does not expect any significant currency risk of HK$ position. The management is of the opinion that the Group's exposures to foreign currency risk are not significant. Accordingly, no foreign exchange risk sensitivity analysis is presented. The Group currently does not have any foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

5. FINANCIAL RISKS MANAGEMENT *(continued)*

5.2 Risk management *(continued)*

(e) Foreign currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	ASSETS	
	2014	2013
	HK$	HK$
Canadian dollars ("CAD")	**2,282**	—
Renminbi ("RMB")	**199**	38,722
United States dollars ("USD")	**300,056**	304,861

(f) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves. The Group had no debt as at 31 December 2014.

The Directors of the Company review the capital structure on a regular basis. As part of this review, the Directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt.

5.3 Fair value estimation

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

	Level 1
	HK$
At 31 December 2014	
AFS financial assets	
Equity securities (note a)	**59,932,200**
Financial assets at FVTPL-held for trading	
Equity securities (note a)	**9,031,600**
At 31 December 2013	
AFS financial assets	
Equity securities (note a)	162,692,895
Financial assets at FVTPL-held for trading	
Equity securities (note a)	234,696

5. FINANCIAL RISKS MANAGEMENT *(continued)*

5.3 Fair value estimation *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Note:

(a) The fair value of equity securities classified as Level 1 was determined by the quoted market closing price in an active market.

Reconciliation of Level 3 fair value measurement

	AFS financial assets Debt securities HK$
At 31 December 2013	
Opening balance	5,523,640
Redeemed during the year	(5,523,640)
Closing balance	—

There were no transfers between level 1, 2 and 3 during both years.

6. REVENUE AND OTHER INCOME

Revenue represents interest income and dividend income from financial assets for the year. An analysis of the Group's revenue and other income for the year are as follows:

	2014 HK$	2013 HK$
Revenue		
Interest income from:		
Deposits in banks and financial institutions	**16,456**	11,105
AFS financial assets	**—**	1,167,123
Dividend income from:		
Financial assets at FVTPL	**134,648**	539,898
AFS financial assets	**748,267**	—
	899,371	1,718,126
Other income		
Net foreign exchange gain	**—**	7,020
Written back on over-provision of rental expenses	**—**	200,000
Sundry income	**63,172**	40,963
	63,172	247,983

7. SEGMENT INFORMATION

For the years ended 31 December 2014 and 2013 respectively, the Group's revenue was mainly interest income and dividend income from investments. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating profits. The Group's segment revenue, assets and liabilities for the year, analysed by geographical markets, are as follows:

	Hong Kong		Others		Consolidated	
	2014 HK$	2013 HK$	2014 HK$	2013 HK$	2014 HK$	2013 HK$
Segment revenue:						
Interest income from deposits in banks and financial institutions	16,456	11,105	—	—	16,456	11,105
Interest income from AFS financial assets	—	—	—	1,167,123	—	1,167,123
Dividend income from financial assets at FVTPL	134,648	539,898	—	—	134,648	539,898
Dividend income from AFS financial assets	—	—	748,267	—	748,267	—
	151,104	551,003	748,267	1,167,123	899,371	1,718,126
Total assets	138,204,149	186,200,946	—	3,082,587	138,204,149	189,283,533
Total liabilities (unallocated)					796,074	1,840,000
Other segment information:						
Additions to property, plant and equipment	437,000	652,993	—	—	437,000	652,993

8. FINANCE COSTS

	2014 HK$	2013 HK$
Interest expenses on bank and broker overdrafts wholly repayable within five years	727	107,240

9. LOSS BEFORE TAX

	2014 HK$	2013 HK$
The Group's loss before tax has been arrived at after charging (crediting):		
Directors' remuneration (note 11):		
Fees	**300,000**	300,000
Other emoluments	**7,520,305**	1,470,914
Mandatory provident fund contributions	**33,500**	29,000
Staff costs:		
Salaries	**8,822,004**	5,235,722
Mandatory provident fund contributions	**158,804**	120,695
Total staff costs (including Directors' remuneration)	**16,834,613**	7,156,331
Auditor's remuneration	**330,000**	300,000
Investment management fee	**1,151,666**	971,667
Depreciation on property, plant and equipment	**1,672,670**	1,565,013
Write-off of property, plant and equipment	**—**	4,791
Loss on disposal of property, plant and equipment	**6,658**	—
Net foreign exchange losses (gain)	**38,420**	(7,020)
Operating lease charges in respect of office premises	**4,059,000**	4,115,852

10. INCOME TAX EXPENSE

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2013: Nil).

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

	2014 HK$	2013 HK$
Loss before tax	**(35,599,436)**	(19,998,068)
Tax at the domestic income tax rate of 16.5% (2013: 16.5%)	**(5,873,907)**	(3,299,681)
Tax effect of income not taxable for tax purpose	**(304,000)**	(564,325)
Tax effect of expenses not deductible for tax purpose	**2,758,343**	1,506,245
Tax effect of temporary differences previously not recognised	**193,681**	120,726
Utilisation of tax losses previously not recognised	**—**	(447,185)
Tax effect of tax losses not recognised	**3,225,883**	2,684,220
Tax expense for the year	**—**	—

10. INCOME TAX EXPENSE *(continued)*

The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

At the end of the reporting period, the Group has unused tax losses of HK$79,529,835 (2013: HK$61,972,887) available for offsetting against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The tax losses do not expire under the current tax legislation and may be carried forward indefinitely.

The Group had no material un-provided deferred tax liabilities at the end of the reporting period (2013: Nil).

11. DIRECTORS' REMUNERATION

(a) Directors' remuneration paid or payable to each of six (2013: seven) Directors were as follows:

	2014				
	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Mandatory provident fund contributions HK$	Total HK$
Executive Directors					
Luk Hong Man, Hammond	—	576,720	3,048,060	16,750	3,641,530
Ye Yinggang	—	192,000	16,000	—	208,000
Zhang Xi (Note 1)	—	640,800	3,046,725	16,750	3,704,275
Independent non-executive Directors					
Tsang Kwok Wa, Edward	100,000	—	—	—	100,000
Ng Man Fai, Matthew	100,000	—	—	—	100,000
Wong Chung Kin, Quentin	100,000	—	—	—	100,000
	300,000	1,409,520	6,110,785	33,500	7,853,805

	2013				
	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Mandatory provident fund contributions HK$	Total HK$
Executive Directors					
William Robert Majcher (Note 2)	—	5,000	—	250	5,250
Luk Hong Man, Hammond	—	570,000	130,000	15,000	715,000
Ye Yinggang	—	200,000	—	—	200,000
Zhang Xi (Note 1)	—	565,914	—	13,750	579,664
Independent non-executive Directors					
Tsang Kwok Wa, Edward	100,000	—	—	—	100,000
Ng Man Fai, Matthew	100,000	—	—	—	100,000
Wong Chung Kin, Quentin	100,000	—	—	—	100,000
	300,000	1,340,914	130,000	29,000	1,799,914

11. DIRECTORS' REMUNERATION *(continued)*

(a) *(continued)*

Notes:

(1) Appointed on 15 February 2013

(2) Resigned on 15 January 2013

The above directors' fee, salaries, allowances and benefits in kind, discretionary bonuses and mandatory provident fund contributions were paid to all Directors, executives and non-executives, in respect of their duties and responsibilities with the Group.

During the year, no emoluments were paid by the Group to any of the Directors of the Company or the five highest paid individuals of the Group (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any remuneration during both years.

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group, two (2013: two) were Directors of the Company whose emoluments are included in note 11(a) above. The aggregate of the emoluments in respect of the remaining three employees (2013: three) were as follows:

	2014 HK$	2013 HK$
Basic salaries and other benefits	**1,945,680**	1,945,540
Discretionary bonuses	**3,162,140**	225,747
Mandatory provident fund contributions	**50,250**	45,000
Total emoluments	**5,158,070**	2,216,287

The emoluments of the remaining three (2013: three) individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2014	2013
HK$Nil–HK$1,000,000	**2**	3
HK$1,000,001–HK$3,000,000	**—**	—
HK$3,000,001–HK$4,000,000	**1**	—

12. DIVIDEND

No dividend was paid or proposed during 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).

13. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of HK$137,408,075 (2013: HK$187,443,533) by the number of shares in issue as at 31 December 2014, being 765,120,000 (2013: 765,120,000).

Loss per share

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to owners of the Company of HK$35,599,436 (2013: HK$19,998,068) and 765,120,000 (2013: 765,120,000) ordinary shares in issue during the year.

As there were no diluted potential ordinary shares, the diluted loss per share was the same as basic loss per share in 2014 and 2013.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Office equipment HK$	Motor vehicles HK$	Total HK$
COST				
At 1 January 2013	446,360	256,231	6,803,271	7,505,862
Additions	350,000	302,993	—	652,993
Written off	—	(5,468)	—	(5,468)
Disposal of subsidiaries	—	(2,522)	—	(2,522)
Exchange difference	—	9	—	9
At 31 December 2013 and at 1 January 2014	796,360	551,243	6,803,271	8,150,874
Additions	—	—	437,000	437,000
Disposals	—	(10,324)	—	(10,324)
At 31 December 2014	**796,360**	**540,919**	**7,240,271**	**8,577,550**
DEPRECIATION AND IMPAIRMENT				
At 1 January 2013	50,365	36,809	906,403	993,577
Charge for the year	124,272	80,087	1,360,654	1,565,013
Eliminated on written off	—	(677)	—	(677)
Disposal of subsidiaries	—	(80)	—	(80)
At 31 December 2013 and at 1 January 2014	174,637	116,139	2,267,057	2,557,833
Charge for the year	159,272	109,044	1,404,354	1,672,670
Eliminated on disposals	—	(1,666)	—	(1,666)
At 31 December 2014	**333,909**	**223,517**	**3,671,411**	**4,228,837**
CARRYING AMOUNTS				
At 31 December 2014	**462,451**	**317,402**	**3,568,860**	**4,348,713**
At 31 December 2013	621,723	435,104	4,536,214	5,593,041

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	20%
Office equipment	20%
Motor vehicles	20%

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 HK$	2013 HK$
Equity securities listed overseas, at cost (Note 1)	—	19,080,813
Fair value adjustments	—	(15,998,226)
	—	3,082,587
Equity securities listed in Hong Kong, at cost (Note 2)	**70,601,619**	139,845,479
Fair value adjustments	**(10,669,419)**	19,764,829
	59,932,200	159,610,308
Total	**59,932,200**	162,692,895

Note 1: Equity securities listed overseas

Name of investee company	Place of incorporation	Percentage of effective interest held	At cost 2014 HK$	At cost 2013 HK$	Fair value adjustment 2014 HK$	Fair value adjustment 2013 HK$	Carrying amounts 2014 HK$	Carrying amounts 2013 HK$	Net assets attributable to the investment 2014 HK$	Net assets attributable to the investment 2013 HK$
Adamas Finance Asia Limited (Previously known as China Private Equity Investment Holdings Limited)	British Virgin Islands	—	—	19,080,813	—	(15,998,226)	—	3,082,587	—	6,856,648

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

Note 2: Equity securities listed in Hong Kong

Name of investee companies	Place of incorporation	Percentage of effective interest held	At cost 2014 HK$	At cost 2013 HK$	Fair value adjustment 2014 HK$	Fair value adjustment 2013 HK$	Carrying amounts 2014 HK$	Carrying amounts 2013 HK$	Net assets attributable to the investment 2014 HK$	Net assets attributable to the investment 2013 HK$
Value Convergence Holdings Limited	Hong Kong	—	—	32,893,520	—	6,096,080	—	38,989,600	—	41,441,066
Media Asia Group Holdings Limited	Bermuda	—	—	15,931,087	—	(11,598,415)	—	4,332,672	—	4,441,744
Hao Tian Development Group Limited	Cayman Islands	—	—	10,544,040	—	869,720	—	11,413,760	—	21,931,357
GCL New Energy Holdings Limited (Previously known as Same Time Holdings Limited)	Bermuda	—	—	29,186,723	—	24,427,277	—	53,614,000	—	24,226,587
Asia Energy Logistics Group Limited	Hong Kong	—	—	666,830	—	144,070	—	810,900	—	410,958
China Fortune Financial Group Limited	Cayman Islands	—	—	422,170	—	(82,814)	—	339,356	—	345,133
China Nuclear Industry 23 International Corporation Limited (note a)	Bermuda	2.37%	42,956,294	42,956,294	(15,473,594)	(10,762,274)	27,482,700	32,194,020	9,682,188	10,707,204
Infinity Financial Group (Holdings) Limited (Previously known as Fornton Group Limited) (note b)	Bermuda	1.25%	7,244,815	7,244,815	4,699,185	10,671,185	11,944,000	17,916,000	2,651,229	1,903,762
China Aircraft Leasing Group Holdings Limited (note c)	Cayman Islands	0.04%	3,005,410	—	(49,910)	—	2,955,500	—	772,727	—
Kingbo Strike Limited (note d)	Cayman Islands	2.34%	17,395,100	—	154,900	—	17,550,000	—	2,790,045	—
			70,601,619	139,845,479	(10,669,419)	19,764,829	59,932,200	159,610,308		

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

Note 2: Equity securities listed in Hong Kong *(continued)*

(a) As at 31 December 2014, the Group held listed equity securities, being 26,174,000 shares or 2.37% equity interest in the China Nuclear Industry 23 International Corporation Limited ("China Nuclear"), for a consideration of HK$42,956,294 and which is principally engaged in restaurant operations, property investments, hotel operations and new energy operations.

For the year ended 31 December 2014, the audited consolidated loss from ordinary activities attributable to owners of China Nuclear was approximately HK$40,931,000 and the basic loss per share was HK3.72 cents. At 31 December 2014, its audited consolidated net assets value attributable to owners of China Nuclear was approximately HK$407,524,000. No dividend was received during the year.

(b) As at 31 December 2014, the Group held listed equity securities, being 11,944,000 shares or 1.25% equity interest in the Infinity Financial Group (Holdings) Limited ("Infinity Financial"), for a consideration of HK$7,244,815 and which is principally engaged in manufactures an extensive assortment of knitwear products ranging from classically styled wardrobe basics to high quality fashion apparel.

For the year ended 31 December 2014, the audited consolidated loss from ordinary activities attributable to owners of Infinity Financial was approximately HK$23,440,000 and the basic loss per share was HK2.58 cents. At 31 December 2014, its audited consolidated net assets value attributable to owners of Infinity Financial was approximately HK$211,317,000. No dividend was received during the year.

(c) As at 31 December 2014, the Group held listed equity securities, being 257,000 shares or 0.04% equity interest in the China Aircraft Leasing Group Holdings Limited ("China Aircraft"), for a consideration of HK$3,005,410 and which is principally engaged in aircraft leasing business.

For the year ended 31 December 2014, the audited consolidated profit from ordinary activities attributable to owners of China Aircraft was approximately HK$302,750,000 and the basic earnings per share was HK$0.577. At 31 December 2014, its audited consolidated net assets value attributable to owners of China Aircraft was approximately HK$1,761,280,000. No dividend was received during the year.

(d) As at 31 December 2014, the Group held listed equity securities, being 15,000,000 shares or 2.34% equity interest in the Kingbo Strike Limited ("Kingbo Strike"), for a consideration of HK$17,395,100 and which is principally engaged in the provision of electrical engineering services.

For the year ended 30 June 2014, the audited consolidated profit from ordinary activities attributable to owners of Kingbo Strike was approximately Singapore dollars ("S$")5,747,269 (equivalent to approximately HK$35,633,068) and the basic earnings per share was S1.00 cent (equivalent to approximately HK6.20 cents). At 30 June 2014, its audited consolidated net assets value attributable to owners of Kingbo Strike was approximately S$19,200,311 (equivalent to approximately HK$119,041,928). No dividend was received during the year.

The Directors conducted a review of the Group's AFS financial assets during the year and determined that the fair value adjustment is based on quoted market closing prices of AFS financial assets in an active market.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 HK$	2013 HK$
Prepayments for office rental	1,000,000	1,000,000
Other prepayments	186,700	160,160
Rental and utility deposits	482,610	743,660
Due from brokers	24,404,512	339,098
Interest receivables	—	6,024
Other receivables	48,684	91,838
	26,122,506	2,340,780

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 HK$	2013 HK$
Financial assets designated as held for trading		
— Equity securities listed in Hong Kong, at market value	9,031,600	234,696

The fair values of listed securities are based on their quoted market closing prices in an active market.

As at 31 December 2014 and 2013, financial assets designated as held for trading included the following investments:

Name of investee companies	Place of incorporation	Number of shares held	Percentage of effective interest held	Carrying amounts HK$	Market value HK$	Gain (loss) arising on revaluation HK$	Dividend received during the year HK$	Net assets attributable to the investment HK$
At 31 December 2014								
HSBC Holding PLC (note a)	England	10,000	Less than 0.01%	791,500	740,000	(51,500)	38,761	768,750
PetroChina Company Limited (note b)	The People's Republic of China	130,000	Less than 0.01%	1,284,700	1,118,000	(166,700)	—	9,134,052
Tech Pro Technology Development Limited (note c)	Cayman Islands	1,176,000	Less than 0.01%	6,077,940	7,173,600	1,095,660	—	829,570
				8,154,140	9,031,600	877,460	38,761	
At 31 December 2013								
The Hong Kong and China Gas Company Limited (note d)	Hong Kong	13,200	Less than 0.01%	243,144	234,696	(8,448)	275,088	68,857

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Notes:

(a) As at 31 December 2014, the Group held listed equity securities, being 10,000 shares or less than 0.01% equity interest in HSBC Holding PLC ("HSBC"), for a consideration of HK$791,500 and which is principally engaged in provision of a comprehensive range of banking and related financial services through an international network in the Asia-Pacific region, Europe, the Americas, Middle East and Africa.

For the year ended 31 December 2014, the audited consolidated profit from ordinary activities attributable to equity shareholders of HSBC was approximately US$13,688 million (equivalent to approximately HK$106,183 million) and the basic earnings per share was US$0.69 (equivalent to approximately HK$5.35). At 31 December 2014, its audited consolidated net assets value attributable to owners of HSBC was approximately US$190,447 million (equivalent to approximately HK$1,477,374 million). During the year, the Group received US$5,000 (equivalent to approximately HK$38,761) for dividend income.

(b) As at 31 December 2014, the Group held listed equity securities, being 130,000 shares or less than 0.01% equity interest in PetroChina Company Limited ("PetroChina"), for a consideration of HK$1,284,700 and which is principally engaged in exploration, development, production and marketing of crude oil and natural gas; refining transportation storage and marketing of crude oil and petroleum products; production and sale of chemical transmission and the marketing of natural gas.

For the year ended 31 December 2014, the audited consolidated profit from ordinary activities attributable to equity shareholders of PetroChina was approximately RMB107,172 million (equivalent to approximately HK$135,112 million) and the basic earnings per share was RMB0.59 (equivalent to approximately HK$0.74). At 31 December 2014, its audited consolidated net assets value attributable to owners of PetroChina was approximately RMB1,175,894 million (equivalent to approximately HK$1,482,450 million). No dividend was received during the year.

(c) As at 31 December 2014, the Group held listed equity securities, being 1,176,000 shares or less than 0.01% equity interest in Tech Pro Technology Development Limited ("Tech Pro"), for a consideration of HK$6,077,940 and which is principally engaged in manufacturing, sale and distribution of LED lighting products and energy saving services.

For the year ended 31 December 2014, the audited consolidated loss from ordinary activities attributable to equity shareholders of Tech Pro was approximately RMB217 million (equivalent to approximately HK$274 million) and the basic loss per share was RMB15.35 cents (equivalent to approximately HK19.35 cents). At 31 December 2014, its audited consolidated net assets value attributable to owners of Tech Pro was approximately RMB864 million (equivalent to approximately HK$1,089 million). No dividend was received during the year.

(d) As at 31 December 2013, the Group held listed equity securities, being 13,200 shares or less than 0.01% equity interest in The Hong Kong and China Gas Company Limited ("HK Gas"), for a consideration of HK$243,144 and which is principally engaged in production, distribution and marketing of gas, water supply and emerging environmentally-friendly energy businesses in Hong Kong and mainland China.

18. CASH AND CASH EQUIVALENTS

	2014 HK$	2013 HK$
Fixed deposits in banks	—	9,995,890
Cash at banks and in hand	38,769,130	8,426,231
	38,769,130	18,422,121

The fixed deposits and bank balances are deposited in creditworthy banks with no recent history of default. Bank balances carry interest at floating rates based on daily bank deposit rates. The fixed deposits in banks carry a fixed interest rate of 1% per annum in 2013.

Included in cash and cash equivalents in the consolidated statement of financial position are the following amounts denominated in currencies other than the functional currency of the Group entities:

	2014	2013
CAD	CAD324	—
USD	USD38,469	USD39,318
RMB	RMB157	RMB30,666

19. SHARE CAPITAL

	Number of ordinary shares of HK$0.05 each	Nominal value HK$
Authorised:		
At 1 January 2013, 31 December 2013 and 31 December 2014	**4,000,000,000**	**200,000,000**
Issued and fully paid:		
At 1 January 2013, 31 December 2013 and 31 December 2014	**765,120,000**	**38,256,000**

20. RESERVES

(a) The Group

	Share premium HK$	Exchange reserve HK$	Investment revaluation reserve HK$	Accumulated losses HK$	Total HK$
At 1 January 2013	197,332,138	8,375	(15,863,773)	(31,913,140)	149,563,600
Loss for the year	—	—	—	(19,998,068)	(19,998,068)
Other comprehensive income (expenses):					
Exchange gain on translation of available-for-sale financial assets	—	3,011	—	—	3,011
Exchange differences arising on translation of a foreign operation	—	(586)	—	—	(586)
Reclassification of exchange differences upon disposal of subsidiaries	—	(14,814)	—	—	(14,814)
Net gain arising on revaluation of available-for-sale financial assets	—	—	18,010,793	—	18,010,793
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	—	—	1,623,597	—	1,623,597
Total comprehensive income (expenses) for the year	—	(12,389)	19,634,390	(19,998,068)	(376,067)
At 31 December 2013 and 1 January 2014	197,332,138	(4,014)	3,770,617	(51,911,208)	149,187,533
Loss for the year	**—**	**—**	**—**	**(35,599,436)**	**(35,599,436)**
Other comprehensive income (expenses):					
Exchange loss on translation of available-for-sale financial assets	**—**	**(3,146)**	**—**	**—**	**(3,146)**
Net loss arising on revaluation of available-for-sale financial assets	**—**	**—**	**(10,578,330)**	**—**	**(10,578,330)**
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	**—**	**—**	**(3,861,706)**	**—**	**(3,861,706)**
Reclassification of exchange differences upon disposal of available-for-sale financial assets	**—**	**7,160**	**—**	**—**	**7,160**
Total comprehensive income (expenses) for the year	**—**	**4,014**	**(14,440,036)**	**(35,599,436)**	**(50,035,458)**
At 31 December 2014	**197,332,138**	**—**	**(10,669,419)**	**(87,510,644)**	**99,152,075**

20. RESERVES *(continued)*

(b) The Company

	Share premium HK$	Accumulated losses HK$	Total HK$
At 1 January 2013	197,332,138	(63,492,272)	133,839,866
Loss and total comprehensive expenses for the year	—	(1,939,423)	(1,939,423)
At 31 December 2013 and at 1 January 2014	**197,332,138**	**(65,431,695)**	**131,900,443**
Loss and total comprehensive expenses for the year	**—**	**(36,218,526)**	**(36,218,526)**
At 31 December 2014	**197,332,138**	**(101,650,221)**	**95,681,917**

21. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 27 June 2011. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives and/or rewards for their contribution and support to the Company. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees and executives, including all the Directors of the Company and any substantial shareholders as defined in the Listing Rules to subscribe shares in the Company.

The maximum number of shares in respect of which options may be granted under the Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue during the twelve-month period before the date of grant, without prior approval from the Company's shareholders.

HK$1 per option is payable on the acceptance of an option offer. Options may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board of Directors to each grantee but must not be exercised after the expiry of ten years from the date of grant of the option. There is no minimum period for which an option must be held or a performance target that must be achieved before an option can be exercised specified in the terms of the Scheme. However, the Board of Directors may provide restrictions on the exercise of an option during the period an option may be exercised including, if appropriate, a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

21. SHARE OPTION SCHEME *(continued)*

The exercise price is determined by the Board of Directors, and should not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option which must be a business day, (ii) the average of the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the option and (iii) the nominal value of the Share on the date of offer of the option.

The Scheme will remain in force for a period of 10 years commencing on 27 June 2011.

No option had been granted or agreed to be granted under the Scheme since the date of adoption of the Scheme.

22. RETIREMENT BENEFITS SCHEME

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme ("MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employer and employees are subject to a maximum contribution of HK$1,500 per month with effect from 1 June 2014 (from 1 January 2013 to 31 May 2014: HK$1,250) and thereafter contributions are voluntary.

23. RELATED PARTY AND CONNECTED TRANSACTIONS

During the year, the Group had the following significant related party and connected transactions:

	Note	**2014** **HK$**	2013 HK$
Investment management fee paid to Asia Investment Management Limited	(i)	**1,151,666**	971,667

Note:

(i) The investment management fee was paid under the investment management agreement entered into between the Company and Asia Investment Management Limited who acted as the Investment Manager of the Company since 1 February 2013. Under the relevant investment management agreement, the investment management fee payable to the Investment Manager was HK$80,000 per month together with expenses reimbursement up to a maximum amount of HK$200,000 per annum.

The Investment Manager is defined as a connected person of the Company pursuant to the Rule 21.13 of the Listing Rules.

23. RELATED PARTY AND CONNECTED TRANSACTIONS *(continued)*

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2014 HK$	2013 HK$
Directors' fee	**300,000**	300,000
Salaries, allowance and benefits in kind	**1,409,520**	1,340,914
Discretionary bonuses	**6,110,785**	130,000
Mandatory provident fund contributions	**33,500**	29,000
	7,853,805	1,799,914

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

24. OPERATING LEASES COMMITMENTS

The Group as lessee

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 as follows:

	2014 HK$	2013 HK$
Within one year	**1,000,000**	2,745,228

Operating lease payments represent rental payables by the Group for its office premises. Leases are negotiated and fixed respectively for an average term of one to two years.

25. GAIN ON DISPOSAL OF SUBSIDIARIES/DEREGISTRATION OF SUBSIDIARIES

During the year 2014, the Group disposed of its 100% equity interest in Rambo Treasure Limited and its subsidiaries to an independent third party with an aggregate net assets value of HK$Nil at a cash consideration of HK$780, resulting in a gain on disposal of subsidiaries of HK$780.

The Group deregistered two dormant subsidiaries, Friendly Hong Kong Investment Limited and Marvelous Affluence Limited, which were incorporated in Hong Kong and British Virgin Islands respectively, There was no gain or loss arising from the deregistration.

During the year 2013, the Group disposed of its 100% equity interest in Conqueringly Victory Investments Limited, which holds directly 100% equity interest in Prospect King Investment Development Limited and indirectly 100% equity interest in 中投基（深圳）投資諮詢有限公司 to an independent third party with an aggregate net assets value of HK$78,108 at a cash consideration of HK$400,000, resulting in a gain on disposal of subsidiaries of HK$321,892.

The Group has also deregistered a dormant subsidiary in the year 2013, Ace Dynamic Investment Limited, which was incorporated in British Virgin Islands. There was no gain or loss arising from the deregistration of subsidiary.

The net assets of the subsidiaries at the date of disposal are as follows:

	HK$
Property, plant and equipment	2,442
Prepayments, deposits and other receivables	259,333
Cash and cash equivalents	296,834
Accruals, deposits received and other payables	(465,687)
Net assets disposal of:	92,922
Release of exchange reserve	(14,814)
	78,108
Total consideration	(400,000)
Gain on disposal	(321,892)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

Net cash inflow arising on disposal:	
Cash consideration received	400,000
Cash and cash equivalents disposed of	(296,834)
	103,166

26. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Interests in subsidiaries

	2014 HK$	2013 HK$
Unlisted shares, at cost	**3,900**	2,348
Less: impairment loss recognised	**(2,340)**	(780)
	1,560	1,568
Amounts due from subsidiaries (note a)	**34,794,983**	44,275,282
Less: impairment loss recognised	**(29,875,580)**	(492,842)
	4,919,403	43,782,440
Amounts due to subsidiaries (note a)	**(28,309,096)**	(24,622,679)
Advances to subsidiaries (note b)	**124,050,702**	138,990,205

Notes:

(a) Amounts due from(to) subsidiaries are unsecured, interest-free and have no fixed term of repayment.

(b) Advances to subsidiaries are unsecured and repayable on demand. Interest is charged on the outstanding balance at 5% per annum, as quoted by the current Hong Kong Dollars Best Lending Rate from the Hongkong and Shanghai Banking Corporation Limited.

26. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(continued)*

Interests in subsidiaries *(continued)*

Name of subsidiaries	Place of incorporation/ registration/operation	Class of shares held	Paid up issued/ registered share capital	Proportion ownership interest and voting power held by the Company — Directly 2014	Directly 2013	Indirectly 2014	Indirectly 2013	Principal activities
Long Term Aim Holdings Limited	British Virgin Islands	Ordinary	1 share of US$1 each	—	100%	100%	—	Securities investments
Eternity Sky Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	100%	100%	—	Investment holdings
Happy Amigo Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	100%	100%	—	Investment holdings
Final Destination Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	100%	100%	—	Investment holdings
Flying Goddess Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	100%	—	—	—	Investment holdings
Serene Goodwill Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	100%	—	—	—	Investment holdings
Attractive Bright Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	100%	—	—	—	Investment holdings
Ace Provision Limited	Republic of Vanuatu	Ordinary	100 shares of US$1 each	100%	—	—	—	Investment holdings
Best Keen International Limited	Republic of Vanuatu	Ordinary	100 shares of US$1 each	100%	—	—	—	Investment holdings
Forever Corporate Management Limited	Hong Kong	Ordinary	100 shares of HK$1 each	—	—	100%	100%	Investment holdings
Super Summit Investments Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	—	100%	100%	Securities investments
All Famous Limited	Hong Kong	Ordinary	100 shares of HK$1 each	—	—	100%	100%	Investment holdings
Rich Lead Corporation Limited	Hong Kong	Ordinary	100 shares of HK$1 each	—	—	100%	100%	Investment holdings
Wildfire Sensation Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	—	100%	100%	Securities investments
Perpetual Wealth Holdings Limited	British Virgin Islands	Ordinary	1 share of US$1 each	—	—	100%	100%	Securities investments
Golden Enchantment Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	—	100%	100%	Securities investments
Time Magic Limited	British Virgin Islands	Ordinary	100 shares of US$1 each	—	—	100%	100%	Securities investments
First Prosper Limited	Hong Kong	Ordinary	100 shares of HK$1 each	—	—	100%	—	Investment holdings
Valid Host Limited	Hong Kong	Ordinary	100 shares of HK$1 each	—	—	100%	—	Securities investments

The above table lists the subsidiaries of the Group which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

27. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2014 HK$	2013 HK$
Non-current assets		
Investments in subsidiaries (note 26)	**1,560**	1,568
Property, plant and equipment	**21,747**	33,126
	23,307	34,694
Current assets		
Prepayments, deposits and other receivables	**—**	239,172
Advances to subsidiaries (note 26)	**124,050,702**	138,990,205
Amounts due from subsidiaries (note 26)	**4,919,403**	43,782,440
Cash and cash equivalents	**33,930,934**	13,572,611
	162,901,039	196,584,428
Current liabilities		
Accruals	**677,333**	1,840,000
Amounts due to subsidiaries (note 26)	**28,309,096**	24,622,679
	28,986,429	26,462,679
Net current assets	**133,914,610**	170,121,749
Total assets less current liabilities	**133,937,917**	170,156,443
Capital and reserves		
Share capital (note 19)	**38,256,000**	38,256,000
Reserves (note 20(b))	**95,681,917**	131,900,443
Total equity	**133,937,917**	170,156,443

28. COMPARATIVE FIGURES

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

Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2014	2013	2012	2011	2010
	HK$	HK$	HK$	HK$	HK$
Results					
Revenue	**899,371**	1,718,126	1,191,439	2,363,375	1,168,424
(Loss) profit before tax	**(35,599,436)**	(19,998,068)	(20,937,188)	(12,070,510)	29,728,547
Income tax expense	**—**	—	—	—	—
(Loss) profit for the year attributable to owners of the Company	**(35,599,436)**	(19,998,068)	(20,937,188)	(12,070,510)	29,728,547
(Loss) earnings per share — Basic and diluted (HK cents)	**(4.65)**	(2.61)	(2.74)	(1.72)	7.24

	As at 31 December				
	2014	2013	2012	2011	2010
	HK$	HK$	HK$	HK$	HK$
Assets and Liabilities					
Total assets	**138,204,149**	189,283,533	188,663,145	231,849,420	147,372,232
Total liabilities	**(796,074)**	(1,840,000)	(843,545)	(13,092,882)	(2,512,980)
Total assets less total liabilities	**137,408,075**	187,443,533	187,819,600	218,756,538	144,859,252
Share capital	**38,256,000**	38,256,000	38,256,000	38,256,000	11,152,000
Reserves	**99,152,075**	149,187,533	149,563,600	180,500,538	133,707,252
Equity attributable to owners of the Company	**137,408,075**	187,443,533	187,819,600	218,756,538	144,859,252