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Madex International (Holdings) Limited
盛明國際(控股)有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00231)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 AND RESUMPTION OF TRADING

The directors (the "Directors") of Madex International (Holdings) Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2014 together with the comparative figures for the previous year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2014

	Notes	**2014**	2013
		HK$'000	HK$'000
Revenue	*4*	**33,107**	31,881
Cost of sales		**(3,625)**	(7,056)
Gross profit		**29,482**	24,825
Other revenue	*4*	**6,959**	6,254
Administrative expenses		**(73,201)**	(75,101)
Finance costs	*5*	**(94,198)**	(33,792)
Fair value change in investment properties		**(452,219)**	(407,080)
Fair value change on derivative financial assets		**(1,459)**	(2,838)
Fair value change on derivative financial liabilities		**(4,545)**	9,390
Fair value change on contingent consideration		**(115,353)**	19,733
Derecognition of contingent consideration		**-**	49,655
Impairment loss recognised in respect of trade and other receivables		**-**	(272)
Share of result of a joint venture		**(5)**	3,371
Loss on disposals of subsidiaries		**(18,372)**	-
Loss before tax		**(722,911)**	(405,855)
Income tax credit	*6*	**113,055**	101,769
Loss for the year	*7*	**(609,856)**	(304,086)
Loss for the year attributable to:			
- Owners of the Company		**(609,856)**	(304,086)
- Non-controlling interests		**-**	-
		(609,856)	(304,086)
Loss per share	*8*		
- Basic and diluted (HK cents)		**(5.07 cents)**	(2.58 cents)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	HK$'000	HK$'000
Loss for the year	**(609,856)**	(304,086)
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences arising on translation of financial statements of foreign operations	**17,474**	47,083
- Reclassification from equity to profit or loss on disposals of subsidiaries	**(31,968)**	-
Other comprehensive (expense) income for the year	**(14,494)**	47,083
Total comprehensive expense for the year	**(624,350)**	(257,003)
Total comprehensive expense attributable to:		
- Owners of the Company	**(624,350)**	(257,003)
- Non-controlling interests	**-**	-
	(624,350)	(257,003)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Notes	**2014**	2013
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**31,825**	32,736
Investment properties		**2,090,000**	2,974,424
Intangible asset		**35,342**	39,842
Available-for-sale investments		**-**	-
Interest in a joint venture		**47,092**	47,097
		2,204,259	3,094,099
CURRENT ASSETS			
Trade and other receivables	*9*	**420,940**	73,108
Derivative financial assets		**12,590**	5,839
Pledged bank balances		**157,731**	140
Bank balances and cash		**149,576**	41,283
		740,837	120,370
CURRENT LIABILITIES			
Other payables	*10*	**385,418**	382,505
Borrowings		**264,548**	123,046
Tax liabilities		**210**	210
Amount due to a related party		**1,533**	2,564
Amount due to a shareholder		**88,536**	18,548
Amount due to a joint venture		**49,476**	49,503
Derivative financial liabilities		**35,780**	18,039
		825,501	594,415
NET CURRENT LIABILITIES		**(84,664)**	(474,045)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,119,595**	2,620,054
CAPITAL AND RESERVES			
Share capital		**661,253**	592,132
Reserves		**296,008**	757,794
TOTAL EQUITY		**957,261**	1,349,926
NON-CURRENT LIABILITIES			
Borrowings		**635,803**	709,868
Deferred tax liabilities		**199,601**	379,204
Convertible notes		**67,013**	36,492
Provision for contingent consideration		**259,917**	144,564
		1,162,334	1,270,128
		2,119,595	2,620,054

Notes:

1. BASIS OF PREPARATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In preparing the consolidated financial statements, the management has given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of approximately HK$609,856,000 during the year ended 31 December 2014 and, as of that date, the Group's current liabilities exceed its current assets of approximately HK$84,664,000. In addition, as at 31 December 2014, the Group had capital commitments contracted for but not provided in the consolidated financial statements of approximately HK$428,000,000.

In order to improve the Group's financial position, to provide liquidity and cash flows and to sustain the Group as a going concern, the management has taken and/or will take the following measures:

(a) The Group is taking measures to tighten cost controls over various operating costs and expenses with the aim to attain profitable and positive cash flow operations;

(b) The Group is negotiating with an independent third party to provide a stand-by credit facility of RMB300,000,000 (equivalent to approximately HK$374,000,000) granted to the Company; and

(c) On 8 April 2015, Madex International Company Limited and Mr. Liang Wenguan ("Mr. Liang"), the controlling shareholder of the Company, entered into the deed of undertaking and they hereby agreed (i) to provide an unsecured and interest free loan facility of HK$350,000,000 to the Company for the period from 8 April 2015 to 30 June 2016; (ii) to provide financial support to the Company until the Company has sufficient funds to meet its operations and to pay financial obligations as they fall due for the period from 8 April 2015 to 30 June 2016; (iii) to use the Shares (as defined in note 11 to this announcement) and/or converting the Shares to procure loan facilities which will make available to the Company in meeting the Company's operation requirements; and (iv) not to pledge and/or dispose of the Shares to any other parties other than the purpose as stated in item (iii) above for the period from 8 April 2015 to 30 June 2016.

The Directors are of the opinion that, taking into account the above measures, the Group will have sufficient working capital to finance its operations and to pay financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the measures being taken by the Directors as described above. The consolidated financial statements of the Group have been prepared on a going concern basis and therefore, do not include any adjustments relating to the realisation and classification of non-current assets and non-current liabilities that may be necessary if the Group is unable to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

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

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

New and amended standards and interpretations those are mandatorily Effective for the current year
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

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

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

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

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

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

Amendments to HKAS 32 Offsetting financial assets and financial liabilities

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

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

Amendments to HKAS 36 Recoverable amount disclosures for non-financial assets

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

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

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

Amendments to HKAS 39 Novation of derivatives and continuation of hedge accounting

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

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

HK (IFRIC) – Int 21 Levies

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

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

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

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

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

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[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[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[4]

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

New and amended standards and interpretations in issue but not yet effective (Cont'd)

Amendments to HKFRS 10 and HKAS 28	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]
Amendments to HKAS 1	Disclosure Initiative[4]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]

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

HKFRS 9 Financial instruments

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

Key requirements of HKFRS 9 are described as follows:

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

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

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

HKFRS 9 Financial instruments (continued)

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

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

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

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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

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

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

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

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

3. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performances focuses more specifically on the nature of industries.

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

Property leasing	Property leased for rental income
Right to receive royalty fee	Royalty fee related to the royalty right leasing
Trading of goods	Trading of goods

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2014

	Property leasing	Right to receive royalty fee	Trading of goods	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	23,996	9,111	-	33,107
Segment loss	(468,022)	(4,160)	-	(472,182)
Unallocated corporate expenses				(162,400)
Unallocated other revenue				5,874
Share of result of a joint venture				(5)
Finance costs				(94,198)
Loss before tax				(722,911)

For the year ended 31 December 2013

	Property leasing	Right to receive royalty fee	Trading of goods	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	22,477	9,404	-	31,881
Segment loss	(424,745)	(2,782)	-	(427,527)
Unallocated corporate expenses				(26,807)
Unallocated other revenue				78,900
Share of result of a joint venture				3,371
Finance costs				(33,792)
Loss before tax				(405,855)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of central administration costs, directors' emoluments, share of result of a joint venture, impairment loss recognised in respect of other receivables, bank interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

3. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

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

	2014	2013
	HK$'000	HK$'000
Segment assets		
Property leasing	**2,534,729**	3,058,409
Right to receive royalty fee	**83,067**	42,532
Trading of goods	**-**	-
Total segment assets	**2,617,796**	3,100,941
Unallocated corporate assets	**327,300**	113,528
Consolidated assets	**2,945,096**	3,214,469
Segment liabilities		
Property leasing	**1,441,668**	1,310,377
Right to receive royalty fee	**4,216**	115
Trading of goods	**-**	-
Total segment liabilities	**1,445,884**	1,310,492
Unallocated corporate liabilities	**541,951**	554,051
Consolidated liabilities	**1,987,835**	1,864,543

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

- all assets are allocated to operating segment assets other than certain other receivables, interest in a joint venture, equipment of head office, pledged bank balances, bank balances and cash, derivative financial assets and deferred tax assets.

- all liabilities are allocated to operating segment liabilities other than bank borrowings, tax liabilities, deferred tax liabilities, certain other payables, derivative financial instrument, convertible notes and provision for contingent consideration.

4. REVENUE AND OTHER REVENUE

Revenue represents revenue arising on sales of finished goods, rental income from investment property and royalty income for the year. An analysis of the Group's revenue for the year is as follows:

	2014	2013
	HK$'000	HK$'000
Revenue		
Rental income from investment properties	**23,996**	22,477
Royalty income	**9,111**	9,404
Trading of goods	**-**	-
	33,107	31,881
Other Revenue		
Interest income from banks	**1,521**	122
Sundry income	**5,438**	38
Government grant	**-**	6,094
	6,959	6,254

5. FINANCE COSTS

	2014	2013
	HK$'000	HK$'000
Interests on:		
- Borrowings wholly repayable within five years	**77,740**	28,437
- Borrowings wholly repayable over five years	**3,628**	295
- Convertible notes	**12,830**	5,060
Borrowing costs incurred in connection with bank borrowings for investment properties under redevelopment	**-**	36,388
Total borrowing costs	**94,198**	70,180
Less: Amounts capitalised	**-**	(36,388)
	94,198	33,792

6. INCOME TAX CREDIT

	2014	2013
	HK$'000	HK$'000
Current tax		
PRC Enterprise Income Tax		
- Current year	**-**	-
Deferred tax		
- Current year	**113,055**	101,769
	113,055	101,769

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2014 HK$'000	2013 HK$'000
Staff costs:		
- Directors' emoluments	**3,585**	4,099
- Other staff costs	**13,003**	13,612
- Retirement benefit scheme contributions (excluding Directors)	**80**	76
Total staff costs	**16,668**	17,787
Amortisation of intangible asset (included in cost of sales)	**3,625**	3,625
Depreciation for property, plant and equipment	**1,795**	1,593
Total depreciation and amortisation	**5,420**	5,218
Impairment loss recognised in respect of trade and other receivables	**-**	272
Auditors' remuneration	**950**	900
Minimum lease payments under operating lease	**690**	765

8. LOSS PER SHARE

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

	2014 HK$'000	2013 HK$'000
Loss for the year attributable to the owners of the Company	**(609,856)**	(304,086)

	2014 '000	2013 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**11,842,647**	10,844,367
Effect of shares issued upon conversion of convertible notes	**175,035**	951,785
Weighted average number of ordinary shares at 31 December	**12,017,682**	11,796,152

The diluted loss per share for the years ended 31 December 2014 and 31 December 2013 is equivalent to the basic loss per share for both years as the potential shares arising from the conversion of the convertible bonds would decrease the loss per share of the Group for both years, and is regarded as anti-dilutive.

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	HK$'000
Trade receivables	**10,426**	9,200
Less: Allowance	**-**	-
	10,426	9,200
Deposit paid in respect of the acquisition of Full Boom Global Limited	**107,000**	-
Deposit paid in respect of the acquisition of property, plant and equipment	**19,009**	-
Tendering deposit paid	**37,406**	-
Payment in respect of the maintenance of the Group's Chongqing property	**32,419**	33,248
Advanced property management fee	**8,728**	8,951
Advance to a third party	**192,408**	-
Others	**13,544**	21,709
	410,514	63,908
	420,940	73,108

Trade receivables

The credit period granted to the Group's trade receivables generally ranges from 30 to 120 days. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period. The Group does not hold any collateral over these balances.

	2014	2013
	HK$'000	HK$'000
Within 3 months	**2,681**	2,398
4 to 6 months	**2,681**	2,398
Over 6 months	**5,064**	4,404
Total	**10,426**	9,200

10. OTHER PAYABLES

	2014	2013
	HK$'000	HK$'000
Construction cost payables, other payables and accrued charges	**268,945**	120,597
Outstanding consideration for acquisition of intangible asset through acquisition of a subsidiary	**10,000**	10,000
Refundable deposits received	**95,743**	108,173
Rental received in advance	**10,730**	42,735
Deposit received for disposal of subsidiaries	**-**	101,000
	385,418	382,505

11. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Madex International Company Limited is a private limited liability incorporated in Western Samoa and Mr. Liang owns the entire issued share capital of Madex International Company Limited. On 8 April 2015, Madex International Company Limited and Mr. Liang beneficially own approximately 1,020,549,000 and 5,636,969,000 issued ordinary shares of the Company, representing approximately 7.47% and 41.26% of the total issued ordinary share capital of the Company, respectively (hereinafter collectively referred to as the "Shares"). On 8 April 2015, Mr. Liang and Madex International Company Limited entered into the deed of undertaking (the "Deed of Undertaking") and they hereby agreed (i) to provide an unsecured and interest free loan facility of HK$350,000,000 to the Company for the period from 8 April 2015 to 30 June 2016; (ii) to provide financial support to the Company until the Company has sufficient funds to meet its operations and to pay financial obligations as they fall due for the period from 8 April 2015 to 30 June 2016; (iii) to undertake and guarantee the settlement of an advance of approximately HK$192,408,000 granted to 重慶新佳俊建築裝飾工程有限公司; (iv) to use the Shares and/or converting the Shares to procure loan facilities which will make available to the Company in meeting the Company's operation requirements; and (v) not to pledge and/or dispose of the Shares to any other parties other than the purpose as stated in item (iii) and item (iv) above for the period from 8 April 2015 to 30 June 2016.

MODIFICATION IN INDEPENDENT AUDITOR'S REPORT

The auditor's report on the consolidated financial statements for the year ended 31 December 2014 was modified as follows:

"Without qualifying our opinion, we draw attention to note 1 to the announcement which indicates that, the Group incurred a net loss of approximately HK$609,856,000 during the year ended 31 December 2014 and, as of that date, the Group's current liabilities exceeded its current assets of approximately HK$84,664,000. In addition, as at 31 December 2014, the Group had capital commitments contracted for but not provided in the consolidated financial statements of approximately HK$428,000,000. The Group's ability to continue as a going concern is highly dependent on the ongoing availability of finance to the Group. If the finance is not available or sufficient, the Group would be unable to meet its obligations as and when they fall due. This condition along with other matters set forth in note 1 to the announcement indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern."

DIVIDENDS

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2014 (2013: nil).

RESULTS

For the year ended 31 December 2014, the Group recorded an audited consolidated turnover of approximately HK$33,107,000, representing an increase of approximately 4% as compared to HK$31,881,000 for the year ended 31 December 2013; and a net loss of approximately HK$609,856,000, as against the net loss of approximately HK$304,086,000 for the year ended 31 December 2013. The loss was mainly attributable to the effect on fair value change on investment properties and contingent consideration.

BUSINESS REVIEW

In the year, the Group's main income included approximately HK$20,499,000, being rental income from Shenghui Plaza and approximately HK$9,111,000, being royalty fee income from the Xiangquan Hotel project in 2014.

Shenghui Plaza, the Group’s flagship arcade which is strategically located in Chongqing, underwent a transformation in 2014. Eyeing the advantage of the status of a bonded import goods exhibition and trading business centre, the Company has applied and successfully obtained a licence for this purpose.

A placing of convertible bonds was conducted during the year, and an aggregate principal amount of HK$261,500,000 had been successfully placed. The net proceeds from the placing were approximately HK$254,300,000. The funding exercise was to pave way for the Group’s new investment and as general working capital.

PROSPECTS AND OUTLOOK

2015 is a proactive year for the Group. The newly transformed Shenghui Plaza, now a bonded import goods exhibition and trading business centre, will broaden its income source from the booming electronic commerce. With its strategic location, Chongqing will be benefitted from the “One Belt, One Road” initiative as propounded by President Xi Jinping. The management is confident that Shenghui Plaza will be benefitted in turn.

Following the completion of the disposal of our Harbin Mall in February 2014 and the completion of placing of convertible bonds in October 2014, the Company’s financial strength and cash flow has been improved and it is actively seeking new investment opportunities. In November 2014, the Company entered into an agreement with Mr. Liang Wenguan, the controlling shareholder of the Company, for the acquisition of a land use right of a piece of land (the “Land”) from him. The Land is located in the hub of Xiqiao Town, Nanhai District, Foshan City, Guangdong Province with a site area of 86,938 square metres. Strategically located in the hinterland of the Pearl River Delta, Xiqiao Town has high development potential. In terms of infrastructure, with the inception of Guangfo Metro in 2010, the metro connection between Foshan City and Guangzhou has improved the population mobility of two cities. Furthermore, according to the 12th five-year plan, the PRC government intends to develop Nanhai District into a hub of back office for financial services, and would strive to promote the local tourism industry at the same time. In this regard, Nanhai District provides continued support to its Financial Hi-tech Zone (金融高新區); and Xiqiao Mountain has been categorized as a five-A tourist attraction in 2013, the only tourist attraction being awarded with this rating in Guangdong Province.

The Company intends to develop on the Land a plaza consists of shops, offices and hotel, taking into account the lack of competitors and the absence of similar type of development model in the vicinity. Under the current development plan, the gross floor area of approximately 94,400 square metres, 92,000 square metres and 8,800 square metres will be allocated for shops, offices and hotel development respectively. This connected transaction is conditional upon, among others, the independent shareholders’ approval to be obtained in a special general meeting. It is expected that the construction works will be completed two and a half years later, and thereafter the project will have rental contribution towards the Group.

PROSPECTS AND OUTLOOK (CONT'D)

Benefitted from the global quantitative easing and the heated securities market in mainland China, the investment atmosphere in Hong Kong is warming up. In a bid to diversify into the financial services sector, the Company has recently entered into an agreement for the acquisition of Ping An Securities Limited. Ping An is one of the well-established securities brokerage and financial advisory houses in Hong Kong providing a wide range of financial services which include, the provision of securities brokerage, securities underwriting and placements and financial advisory services. The Board believes that the acquisition will enable the Group to make a meaningful step in its strategic direction towards diversification of businesses. Lastly, the Board believes that the resulted diversification of the Group's business portfolio will also enhance the Group's resilience to fluctuations in the business environment.

LIQUIDITY, FINANCIAL RESOURCES, CHARGE ON ASSETS AND GEARING

As at 31 December 2014, the Group's current assets and current liabilities were HK$740,837,000 and HK$825,501,000 respectively. The total secured bank and other loans amounted to HK$688,475,000 and HK$137,157,000 respectively.

As at 31 December 2014, main charges on assets of the Group included bank balances of HK$157,731,000, investment properties with fair value of HK$2,090,000,000 and leasehold land and buildings with carrying amount of approximately HK$28,340,000.

The Group's gearing ratio as at 31 December 2014 was 67%, which is calculated on the Group's total liabilities divided by its total assets.

CAPITAL COMMITMENTS

Pursuant to the Company's announcement and circular dated 13 November 2014 and 9 March 2015, respectively, on 13 November 2014, Wealth Billows Limited ("Wealth Billows"), a wholly-owned subsidiary of the Company entered into the an acquisition agreement (the "Acquisition Agreement") with Mr. Liang, the controlling shareholder of the Company, pursuant to which Wealth Billows has agreed to acquire the entire share capital of Full Boom Global Limited ("Full Boom" and together with its subsidiaries, the "Full Boom Group") from Mr. Liang at a consideration of HK$535,000,000. Full Boom is a private limited liability company incorporated in the Republic of Seychelles. Full Boom Group holds a commercial land lot with an area of 86,938 square metres and a building with a gross floor area of 2,576.14 square metres erected thereon at Xiqiao Town of Guangdong Province, the PRC. Pursuant to the Acquisition Agreement, the consideration of HK$535,000,000 shall be settled in the following manner:

(i) A refundable deposit in the sum of HK$107,000,000 was paid upon signing of the Acquisition Agreement; and

(ii) The remaining HK$428,000,000 shall be settled by the issue of the promissory notes by the Company to Mr. Liang.

The above acquisition was approved by the shareholders of the Company at its Special General Meeting on 1 April 2015 and details of which are set out in the Company's announcement and circular dated 13 November 2014 and 9 March 2015, respectively.

FOREIGN EXCHANGE RISK

The Group's operations are principally in the PRC and all assets and liabilities were denominated either in Renminbi or Hong Kong dollars. The Directors considers that the Group does not have any material exposure to fluctuations in exchange. Therefore, no hedging measures have been taken at present.

CONTINGENT LIABILITIES

During the period from 1 January 2004 to 31 December 2006, certain units and shops of the investment properties located in Chongqing had been sold to the independent third parties (the "Buyers") under the Sale and Purchase Agreements (the "SP Agreements"). The leasing agency contracts and the mortgage contracts were signed together with SP Agreements among the Buyers, Chongqing Kings Mall Real Estate Development Company Limited ("Kings Development") and Jia Jun Business Management Consultants Limited ("Jia Jun"). Pursuant to the terms of the leasing agency contracts, Jia Jun would pay the Buyers an annual rental income equivalent to ten percent of the purchase price of the properties over twenty years.

Based on the legal advice from the legal adviser to the Group, the Directors considered that they have strong and valid ground of defence in relation to the potential claims in respect of the Buyers without entering into the cancellation agreements ("Problematic Properties") and the Directors considered that Kings Development would not suffer material financial losses arising from such litigation and has the right to occupy and lease the Problematic Properties to other tenants to generate rental income.

On 27 February 2011, pursuant to a deed of indemnity being executed by Profit China Investments Development Limited ("Profit China") and Mr. Liang Wenguan ("Mr. Liang") in favour of the Group at the date of acquisition completion, Profit China and Mr. Liang will indemnify the Group against all costs that the Group may suffer in relation to the investment properties acquired on the acquisition of Kings Development and its subsidiary and holding companies (the "Acquired Group") and any disputes and litigation (whether commencing before or after the acquisition completion) against the Group arising or accruing in relation to the operation of the Acquired Group on or before the date of acquisition completion (the "Indemnified Liabilities").

In addition, on 19 May 2011, Zhu Hai Port Plaza Development Company Limited entered into an undertaking to pay the aforesaid Indemnified Liabilities to the extent that such losses, liabilities and expenses have not been settled by Mr. Liang pursuant to his obligations under the indemnity agreement executed by him in favour of Kings Development that Kings Development may suffer.

OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Other than the events as mentioned in note 11 to this announcement, other significant events after the reporting period are as followings:

(a) On 13 November 2014, Wealth Billows entered into an acquisition agreement (the "Acquisition Agreement") with the vendor Mr. Liang in relation to the acquisition of the entire equity interest in Full Boom at the consideration of HK$535,000,000. Full Boom Group owns the land use right of the property situated in Xiqiao Town of Guangdong Province, the PRC.

    The consideration of HK$535,000,000 is to be satisfied in the following manner:

    (i) a refundable deposit in the sum of HK$107,000,000 is payable in cheque by the Group to the Mr. Liang or his nominees upon signing of the Acquisition Agreement; and

    (ii) the remaining HK$428,000,000 shall be settled by the issue of promissory notes by the Group to Mr. Liang or his nominees upon completion of the acquisition.

    Details are set out in the announcement and circular of the Company dated 13 November 2014 and 9 March 2015, respectively.

OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD (CONT'D)

(b) On 10 March 2015, the Company entered into a sale and purchase agreement with an independent third party in relation to the acquisition of the entire equity interests in Grand Ahead Finance Limited ("Grand Ahead" and together with its subsidiaries, the "Grand Ahead Group") at the consideration of HK$1,200,000,000. The principal activities of the Grand Ahead Group are provision of securities brokerage, securities underwriting and placements and financial advisory services, consisting of the licensed corporations to carry on types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance.

The consideration of HK$1,200,000,000 is to be satisfied in the following manner:

(i) as to HK$400,000,000 by way of issue of promissory notes to the vendor (or its nominee(s)) upon completion of the acquisition;

(ii) as to HK$700,000,000 by way of allotment and issue of consideration shares to the vendor (or its nominee(s)) upon completion of the acquisition; and

(iii) as to HK$100,000,000 by way of issue of convertible notes to the vendor (or its nominee(s)) upon completion of the acquisition.

Details are set out in the announcement of the Company dated 10 March 2015.

EMPLOYEES AND REMUNERATION POLICIES

During the year, the Group had a total of approximately 200 employees, who were remunerated according to nature of the job and market trend, as well as individual qualifications and performance. The Group has participated in the Mandatory Provident Fund Scheme. On the job training was provided to its staff from time to time.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the year and they all confirmed that they have fully complied with the required standard set out in the Model Code.

CODE OF CORPORATE GOVENANCE PRACTICE

During the year, the Company has complied with the code provisions in the Code of Corporate Governance Practice (the "CG Code") contained in Appendix 14 to the Listing Rules, except the deviations from the CG Code as described below:

(1) Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same person. The Company has no chairman and CEO. Decisions of the Company are made collectively by the executive Directors. The Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment.

(2) Under Code Provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. None of the non executive director or the independent non-executive directors are appointed for a specific term but all of them would be subject to retirement by rotation in accordance with the Company's Bye-laws.

AUDIT COMMITTEE

Regular meetings have been held by the Audit Committee since its establishment and it meets at least twice each year to review and supervise the Group's financial reporting process and internal control. The Audit Committee has reviewed the financial statement of the Group for the year ended 31 December 2014 and discussed with management and the external auditors the accounting principles and policies adopted by the Company.

APPRECIATION

The Directors would like to express our sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as our shareholders, business partners, bankers and auditors for their support to the Group throughout the year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.madex.com.hk). The annual report of the Company for the year ended 31 December 2014 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and posted on the above websites in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 1 April 2015 pending publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 9 April 2015.

By Order of the Board of
Madex International (Holdings) Limited
Zhang Guodong
Executive Director

Hong Kong, 8 April 2015

As at the date of this announcement, the Board comprises Mr. Zhang Guodong and Ms. Liang Huixin as executive directors; Mr. Marco Theodorus Nijssen as non-executive director; and Dr. Dong Ansheng, Mr. Hung Hing Man and Mr. Hong Sze Lung as independent non-executive directors.