四海國際集團有限公司
Cosmopolitan International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 120)

ANNOUNCEMENT OF 2014 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	HK$'000
Revenue	**(7,867)**	12,487
Gross profit/(loss)	**(7,867)**	12,407
Operating loss before depreciation, finance costs and tax	**(51,057)**	(18,977)
Loss for the year/period attributable to equity holders of the parent	**(127,361)**	(88,211)
		(Restated)
Basic loss per share (including ordinary share and convertible preference share) attributable to equity holders of the parent	**HK(2.8) cents**	HK(3.6) cents*

	As at 31st December, 2014	As at 31st December, 2013
	(Unaudited)	**(Unaudited and restated)**
Net asset value per share (including ordinary share and convertible preference share) attributable to equity holders of the parent	**HK$0.23**	HK$0.57*

* adjusted for the 10-into-1 Share Consolidation effective on 15th July, 2014 and the Open Offer completed on 18th August, 2014

- **The loss incurred for the year was principally attributable to the finance costs arising from the interest accruing on the balance consideration payable for the acquisition of the Chengdu Project and the increased administrative and other overhead costs associated with the development of the Chengdu Project as well as the Tianjin Project, both acquired in September 2013.**

- **The open offer of shares launched by the Company in April 2014 was very well received. The open offer was closed in August 2014 and new equity funds of approximately HK$439.8 million have thus been raised.**

- **Contemporaneously upon the closing of the open offer, the Group issued convertible bonds in the principal amount of HK$500 million and granted to the bondholder an option to subscribe for optional convertible bonds up to an aggregate amount of HK$500 million. The issue of the convertible bonds could potentially further enhance the capital base of the Company, while the funds received have been used to repay some of the Group's indebtedness bearing higher interest rates, thereby reducing the interest expenses in the meantime.**

- **Adapting to the changing market environment in the PRC, the Group has made some adjustments to the development programme of some of its development projects.**

- **The Group is optimistic that the economic development in the PRC in the long term will continue to be strong and is confident that the ongoing development projects undertaken by the Group will generate substantial cash flow and satisfactory profits when they are gradually completed.**

FINANCIAL RESULTS

For the year ended 31st December, 2014, the Company recorded a consolidated loss attributable to shareholders of HK$127.4 million, as compared to a loss of HK$88.2 million for the nine months ended 31st December, 2013.

The loss incurred for the year under review was principally attributable to the finance costs arising from the interest accruing on the balance consideration payable for the acquisition of the Chengdu Project and the increased administrative and other overhead costs associated with the development of the Chengdu Project as well as the Tianjin Project, both acquired in September 2013.

BUSINESS OVERVIEW

As reported in the 2014 Interim Report, the Company first announced an open offer of shares in conjunction with a share consolidation in April 2014. The open offer was very well received, with applications from qualifying shareholders accounting for approximately 89.8% of the shares available for subscription and with applications for excess shares exceeding 24 times of the total shares available for subscription under excess application. The open offer was closed in August 2014 and new equity funds of approximately HK$439.8 million have thus been raised, which have been applied for the injection of additional capital in a subsidiary of the Group incorporated in the People's Republic of China and for general working capital as previously mentioned.

Contemporaneously upon the closing of the open offer, P&R Holdings Limited completed the Subscription Agreement entered into with the Company in April 2014 to subscribe for convertible bonds of the Group in the principal amount of HK$500 million and was granted an option to subscribe for optional convertible bonds up to an aggregate principal amount of HK$500 million. The issue of the convertible bonds could potentially further enhance the capital base of the Company, while the funds received have been used to repay some of the Group's indebtedness bearing higher interest rates, thereby reducing the interest expenses in the meantime. Detailed information regarding the terms and conditions of the convertible bonds and the optional convertible bonds was contained in the circular of the Company dated 20th June, 2014.

The Group's principal businesses are now focused on property development and investments in the PRC. During the year under review, the property market as well as the overall economy in the PRC has generally slowed down. Adapting to this changing market environment, the Group has made some adjustments to the development programme of some of its development projects. Detailed information regarding the Group's ongoing development projects in Chengdu and Tianjin and the reforestation project in Xinjiang as well as the latest status on the two proposed projects in Wuxi and in Tongzhou, Beijing is contained in the section headed "Management Discussion and Analysis" in this announcement.

OUTLOOK

The central government of China has projected that the gross domestic product in the PRC for 2015 will grow by 7%, as compared to 7.4% in 2014, despite the prevailing uncertainties in some overseas economies and the geopolitical tensions in some regions like the Middle East and Eastern Europe. Although the forecast growth rate in the GDP of the PRC for 2015 is the lowest as compared to recent years, it is still much more favourable than those projected for most of the major economies.

The Group is optimistic that the economic development in the PRC in the long term will continue to be strong and is confident that the ongoing development projects undertaken by the Group will generate substantial cash flow and satisfactory profits when they are gradually completed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in property investment and development, investment in financial assets and other investments.

The performance of the Group's property and other investment businesses during the year under review, their operating performance and future prospects are contained in the sections headed "Business Overview" and "Outlook" above as well as in this sub-section.

The Group has no immediate plans for material investments or capital assets, other than those as disclosed in this sub-section.

A brief review on the property projects currently undertaken by the Group in the PRC is set out below.

Property Development

Chengdu Project

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of hotel, commercial, office, service apartments and residential components, with an overall total gross floor area of approximately 497,000 square metres. The first stage of the development includes a hotel with 306 hotel rooms and extensive facilities and three residential towers with about 340 residential units with car parking spaces and ancillary commercial accommodation. The construction works for these three residential towers are expected to be completed in the third quarter of 2016 and units presale is anticipated to be launched in the third quarter of 2015. Having considered the local market environment, the hotel portion included in the first stage is now planned to be completed in phases from 2016. The other components comprised within the overall development will continue to be developed in stages.

Tianjin Project

Located in the Hedong District in Tianjin, this project entails a development site with total site area of about 31,700 square metres. The development plans have been revised to include only commercial, office and residential components with total gross floor area of about 145,000 square metres and such plans have been approved by the local government authority. The piling works for the project have already been completed and the entire development is now anticipated to be completed in stages within 2018.

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (equivalent to approximately 1,228,700 square metres) within the project site will be available for commercial development after the requisite inspection, land grant listing and tender procedures are completed. The inspection and measurement of the reforested area by the relevant government authorities is still ongoing and some remedial re-forestation works will be undertaken soon to meet the requirements of the government authorities. In the meantime, the Group is working on the design of the master plan to prepare for the land grant procedures. It is hoped that the final procedures leading to the land grant listing and tender of the development land would be concluded as soon as practicable. Should the Group successfully secure the development land and depending on the permitted land use, the Group preliminarily plans to develop on the land, in stages, a large scale mixed use development comprising residential, hotel, recreational and commercial properties.

Wuxi Project

The Group entered into in October 2013 a Co-operation Agreement for Business and Investment Encouragement with Wuxi Huishan District People's Government and Wuxi Metro Xizhang Area Commission for a parcel of land of about 937 mu (equivalent to approximately 624,700 square metres) located in Huishan District, Wuxi, Jiangsu Province, which was subject to certain terms to be agreed by the parties within six months of the date of the agreement. The Group has not been able to reach agreement with the relevant parties in respect of those certain terms and further negotiations with respect to the Co-operation Agreement have been discontinued for the time being.

Property Investment

Beijing Tongzhou Project

A wholly-owned subsidiary of the Company established in Beijing has entered into a co-operation agreement with a PRC independent third party in February 2014 to subscribe for 82.5% equity interest in a company which is involved in a primary development project located in Tongzhou District, Beijing, subject to the fulfilment of certain prescribed conditions. The principal purpose of the project is to develop buildings for the purposes of housing resettlement under PRC government policies. As certain conditions have not been fulfilled by the independent third party, the co-operation agreement has lapsed. The relevant third party is considering various remedial proposals for the Group's Beijing subsidiary to participate in the investment project as previously contemplated. The Beijing subsidiary has recently obtained the approval from the relevant PRC authority for (1) an increase of its registered capital from RMB298 million to RMB500 million and (2) a change of its business nature to an investment company, which will strengthen its capital base and facilitate potential investments in other property development and investment projects in the PRC.

FINANCIAL REVIEW

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

The acquisition of the two ongoing development projects in the PRC has been financed by the vendors by way of deferred payment of the considerations payable for a period of 3 years, subject to the terms of the relevant sale and purchase agreements. Construction and related costs for the property projects for the time being are principally financed by internal resources. Project financing may be arranged on appropriate terms and will normally be in the local currency to cover a portion of the land cost and/or the construction cost, with the loan maturity matching with the estimated project completion date.

Cash Flow

Net cash flows used in operating activities during the year under review amounted to HK$280.7 million (nine months ended 31st December, 2013 – HK$72.1 million). Net interest payment for the year amounted to approximately HK$156.7 million (nine months ended 31st December, 2013 – net interest receipt of HK$4.6 million).

Borrowings and Gearing

As at 31st December, 2014, the Group had cash and bank balances and deposits, net of bank borrowings and convertible bonds, of HK$180.3 million (31st December, 2013 – HK$389.1 million).

As at 31st December, 2014, excluding the considerations payable to the vendors for acquisition of the property development projects, the Group had net cash balance of HK$180.3 million and therefore no gearing (31st December, 2013 – no gearing).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2014 are shown in the consolidated financial statements ("Financial Statements") contained in the annual report of the Company for the year ended 31st December, 2014 (the "2014 Annual Report") to be published on or before 30th April, 2015.

Pledge of Assets

As at 31st December, 2014, certain of the Group's bank deposits and financial assets at fair value through profit or loss in the amount of HK$13.8 million were pledged to secure general banking facilities granted to the Group.

As at 31st December, 2013, certain of the Group's bank deposits, financial assets at fair value through profit or loss and held-to-maturity investments in the amount of HK$37.5 million were pledged to secure general banking facilities granted to the Group.

In addition, the Group's equity interests in the relevant holding companies of the Group's property development projects were pledged to secure the other payables under non-current liabilities and the related interest payables under current liabilities in respect of the acquisition of property development projects in the prior year.

Capital Commitments

Details of the capital commitments of the Group as at 31st December, 2014 are shown in the Financial Statements.

Contingent Liabilities

The Group had no contingent liability as at 31st December, 2014.

DIVIDEND

The Directors have resolved not to recommend the payment of a final dividend for the year ended 31st December, 2014 (nine months ended 31st December, 2013 – Nil). No interim dividend was paid for the year ended 31st December, 2014 (nine months ended 31st December, 2013 – Nil).

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Wednesday, 3rd June, 2015. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company and sent to the shareholders of the Company, together with the Company's 2014 Annual Report, in due course.

CLOSURE OF REGISTER

For the purpose of ascertaining shareholders' entitlement to attend and vote at the 2015 Annual General Meeting, the Register of Ordinary Shareholders of the Company will be closed from Monday, 1st June, 2015 to Wednesday, 3rd June, 2015, both days inclusive, during which period no transfers of ordinary shares will be effected. In order to be entitled to attend and vote at the 2015 Annual General Meeting, all transfers of ordinary shares and/or conversions of the convertible securities, duly accompanied by the relevant share certificates and/or the certificates of the convertible securities, together with, where appropriate, the relevant conversion notices, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Friday, 29th May, 2015.

YEAR END RESULTS

Consolidated Statement of Profit or Loss

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
REVENUE (Notes 2 & 3)	**(7,867)**	12,487
Cost of sales	**–**	(80)
Gross profit/(loss)	**(7,867)**	12,407
Other income (Note 3)	**3,263**	3,778
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	**22,672**	(6,354)
Administrative expenses	**(69,125)**	(28,808)
OPERATING LOSS BEFORE DEPRECIATION	**(51,057)**	(18,977)
Depreciation	**(1,520)**	(407)
OPERATING LOSS (Note 2)	**(52,577)**	(19,384)
Finance costs (Note 5)	**(104,372)**	(86,616)
Share of profit of a joint venture	**29,767**	17,338
LOSS BEFORE TAX	**(127,182)**	(88,662)
Income tax (Note 6)	**(179)**	451
LOSS FOR THE YEAR/PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	**(127,361)**	(88,211)
Attributable to:		
Equity holders of the parent	**(127,361)**	(88,211)
Non-controlling interests	**–**	–
	(127,361)	(88,211)

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
		(Restated)
LOSS PER SHARE (INCLUDING ORDINARY SHARE AND CONVERTIBLE PREFERENCE SHARE) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic	**HK(2.8) cents**	HK(3.6) cents
Diluted	**HK(2.8) cents**	HK(3.6) cents

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2014	**Nine months ended 31st December, 2013**
	HK$'000	**HK$'000**
LOSS FOR THE YEAR/PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	**(127,361)**	(88,211)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations	**(54,920)**	17,122
Share of other comprehensive loss of a joint venture	**–**	(2,232)
Other comprehensive income/(loss) for the year/period	**(54,920)**	14,890
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	**(182,281)**	(73,321)
Attributable to:		
Equity holders of the parent	**(182,281)**	(73,321)
Non-controlling interests	**–**	–
	(182,281)	(73,321)

Consolidated Statement of Financial Position

	31st December, 2014	31st December, 2013
	HK$'000	**HK$'000**
NON-CURRENT ASSETS		
Property, plant and equipment	**15,804**	3,555
Properties under development	**1,305,087**	1,308,632
Investment in a joint venture	**575,639**	575,591
Goodwill	**234,522**	228,310
Prepayments (Note 9)	**69,689**	58,115
Total non-current assets	**2,200,741**	2,174,203
CURRENT ASSETS		
Properties under development	**2,379,674**	2,204,292
Debtors, deposits and prepayments (Note 9)	**29,493**	11,366
Held-to-maturity investments	**–**	40,925
Financial assets at fair value through profit or loss	**160,279**	116,045
Tax recoverable	**–**	2,208
Pledged time deposits	**6,337**	1,721
Time deposits	**56,956**	141,567
Cash and bank balances	**567,186**	258,007
Total current assets	**3,199,925**	2,776,131
CURRENT LIABILITIES		
Creditors and accruals (Note 10)	**(158,368)**	(93,764)
Deposits received	**(3,481)**	(6,756)
Interest bearing bank borrowings	**(4,000)**	(12,212)
Derivative financial instruments	**(1,411)**	–
Tax payable	**(1,016)**	(837)
Total current liabilities	**(168,276)**	(113,569)
NET CURRENT ASSETS	**3,031,649**	2,662,562
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,232,390**	4,836,765

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2014	31st December, 2013
	HK$'000	HK$'000
NON-CURRENT LIABILITIES		
Other payables (Note 10)	**(2,881,901)**	(3,229,411)
Convertible bonds	**(446,223)**	–
Derivative financial instruments	**(30,946)**	–
Deferred tax liabilities	**(362,536)**	(362,536)
Total non-current liabilities	**(3,721,606)**	(3,591,947)
Net assets	**1,510,784**	1,244,818
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	**13,193**	4,398
Reserves	**1,497,565**	1,240,394
	1,510,758	1,244,792
Non-controlling interests	**26**	26
Total equity	**1,510,784**	1,244,818

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Pursuant to a resolution of the Board of Directors passed on 21st January, 2014, the Company's financial year end date was changed from 31st March to 31st December in order to align with that of the parent companies. Accordingly, the current financial year covers the year ended 31st December, 2014. The comparative figures cover a nine-month period from 1st April, 2013 to 31st December, 2013, which may not be comparable with the amounts shown for the current year.

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1st July, 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies (if any) incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the property development and investment segment comprises the development and sale of properties and the leasing of properties; and

(b) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group’s loss before tax except that certain interest income, finance costs, head office and corporate gains and expenses are excluded from such measurement.

Segment assets exclude time deposits, cash and bank balances, tax recoverable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest bearing bank borrowings, derivative financial instruments in relation to convertible bonds, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the year ended 31st December, 2014 and for the nine months ended 31st December, 2013.

Group

	Property development and investment		Financial assets investments		Consolidated	
	Year ended 31st December, 2014	Nine months ended 31st December, 2013	Year ended 31st December, 2014	Nine months ended 31st December, 2013	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:						
Sales to external customers	-	424	(7,867)	12,063	(7,867)	12,487
Segment results before depreciation	(36,807)	(15,062)	(8,116)	6,668	(44,923)	(8,394)
Depreciation	(1,213)	(376)	-	-	(1,213)	(376)
Segment results	(38,020)	(15,438)	(8,116)	6,668	(46,136)	(8,770)
Unallocated interest income and unallocated non-operating and corporate gains					26,006	2,769
Unallocated non-operating and corporate expenses					(32,447)	(13,383)
Operating loss					(52,577)	(19,384)
Finance costs	(84,871)	(27,014)	-	-	(84,871)	(27,014)
Unallocated finance costs					(19,501)	(59,602)
Share of profit of a joint venture	29,767	17,338	-	-	29,767	17,338
Loss before tax					(127,182)	(88,662)
Income tax					(179)	451
Loss for the year/period before allocation between equity holders of the parent and non-controlling interests					(127,361)	(88,211)
Attributable to:						
Equity holders of the parent					(127,361)	(88,211)
Non-controlling interests					-	-
					(127,361)	(88,211)

Group

	Property development and investment		Financial assets investments		Consolidated	
	2014	2013	2014	2013	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets	4,007,491	3,805,117	184,363	165,194	4,191,854	3,970,311
Investment in a joint venture	575,639	575,591	-	-	575,639	575,591
Cash and unallocated assets					633,173	404,432
Total assets					5,400,666	4,950,334
Segment liabilities	(3,037,021)	(3,328,789)	(3,462)	-	(3,040,483)	(3,328,789)
Interest bearing bank borrowings and unallocated liabilities					(849,399)	(376,727)
Total liabilities					(3,889,882)	(3,705,516)
Other segment information:						
Capital expenditure	240,496	122,623	-	-		
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	-	-	(22,672)	6,354		
Interest income	-	-	(4,667)	(2,893)		

Geographical information

(a) Since the Group's revenue is substantially derived from its financial assets at fair value through profit or loss in Hong Kong, no geographical information in respect of revenue from external customers is presumed in accordance with HKFRS 8 *Operating Segments*.

(b) Non-current assets

	2014	2013
	HK$'000	HK$'000
Hong Kong	**1,767**	45
Mainland China	**2,198,974**	2,174,158
	2,200,741	2,174,203

The non-current assets information above is based on the locations of assets.

Information about major customer

During the year ended 31st December, 2014 and the nine months ended 31st December, 2013, no single customer has contributed over 10% of the total revenue of the Group.

3. Revenue (which is also the Group's turnover) and other income are analysed as follows:

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
Revenue		
Rental income from investment properties	–	424
Net gain/(loss) from sale/settlement of financial assets at fair value through profit or loss	**(14,564)**	6,932
Dividend income from listed investments	**2,625**	3,247
Interest income from corporate bonds	**4,072**	1,884
	(7,867)	12,487
Other income		
Interest income from:		
Bank balances and time deposits	**2,494**	2,499
Held-to-maturity investments	**595**	1,009
Others	**174**	270
	3,263	3,778

4. An analysis of profit/(loss) on sale of investments of the Group is as follows:

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
Profit/(Loss) from sale/settlement of financial assets at fair value through profit or loss	**(14,564)**	6,932

5. Finance costs of the Group are as follows:

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
Interest expenses on convertible bonds	**12,255**	59,481
Interest on bank loans wholly repayable within five years	**323**	121
Interest on other borrowings wholly repayable within five years	**6,923**	–
Interest on other payables wholly repayable within five years	**153,506**	47,511
	173,007	107,113
Less: Finance costs capitalised	**(68,635)**	(20,497)
	104,372	86,616

6. The income tax charge/(credit) for the year/period arose as follows:

	Year ended 31st December, 2014	Nine months ended 31st December, 2013
	HK$'000	**HK$'000**
Group:		
Current – Hong Kong		
Overprovision in prior years	**–**	(451)
Current – Overseas		
Charge for the year	**179**	–
Tax charge/(credit) for the year/period	**179**	(451)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31st December, 2014.

No provision for Hong Kong profits tax had been made during the nine months ended 31st December, 2013 as the Group had available tax losses brought forward from prior years to offset the assessable profits generated during that period.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

No provision for tax was required for the joint venture as no assessable profits were earned by the joint venture during the year ended 31st December, 2014. For the nine months ended 31st December, 2013, the share of tax attributable to a joint venture amounting to approximately HK$20,316,000 was included in "Share of profit of a joint venture" in the consolidated statement of profit or loss.

7. Dividend:

No dividend was paid or proposed during the year ended 31st December, 2014, nor has any dividend been proposed since the end of the reporting period (nine months ended 31st December, 2013 – Nil).

8. (a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the year ended 31st December, 2014 attributable to equity holders of the parent of HK$127,361,000 (nine months ended 31st December, 2013 – HK$88,211,000) and on the weighted average of 4,625,666,000 shares of the Company in issue during the year ended 31st December, 2014 (including ordinary shares and convertible preference shares), as adjusted to reflect the effect of the consolidation of ordinary shares of the Company on the basis that every ten existing issued and unissued ordinary shares of HK$0.0002 each were consolidated into one ordinary share of HK$0.002 each effective on 15th July, 2014 (the "Share Consolidation") and the open offer completed on 18th August, 2014 on the basis that holders of each consolidated share of the Company would be entitled to subscribe for two consolidated shares and/or convertible preference shares of the Company (the "Open Offer") (nine months ended 31st December, 2013 – 2,475,785,000, as adjusted to reflect the Share Consolidation and the Open Offer). The basic loss per share amount for the nine months ended 31st December, 2013 has also been adjusted to reflect the Share Consolidation and the Open Offer.

(b) Diluted loss per share

No adjustment has been made to the loss per share amount presented for the year ended 31st December, 2014 in respect of a dilution, as the impact of the convertible bonds issued during the year had an anti-dilutive effect on the loss per share amount presented.

No adjustment had been made to the loss per share amount presented for the nine months ended 31st December, 2013 in respect of the convertible bonds that were fully converted during that period, as the impact of the convertible bonds had an anti-dilutive effect on the loss per share amount presented.

9. Debtors, deposits and prepayments are analysed as follows:

	2014	2013
	HK$'000	HK$'000
Non-current asset		
Prepayments (Note (a))	**69,689**	58,115
Current assets		
Prepayments	**1,628**	443
Deposits	**3,226**	2,078
Other receivables	**24,639**	8,845
	29,493	11,366

None of the above assets is either past due or impaired. The financial assets included in above balances related to deposits and other receivables for which there was no recent history of default.

Note:

(a) The amount related to the costs incurred in relation to a re-forestation project in Urumqi, Xinjiang Uygur Autonomous Region, the PRC. In accordance with the prevailing relevant policies and regulations, upon the agreed completion (and had been certified by the relevant government authorities) of re-forestation works in respect of that land, as well as the completion of the land listing and tender procedures in accordance with the relevant rules and regulations, the Group shall be either entitled to the land use right of 30% of the overall project area of such land for development purpose or reimbursed for all the costs incurred in the re-forestation project.

In the prior years, the Group completed the milestones required by the relevant PRC government authorities and obtained affirmations to confirm the fulfillments of the conditions agreed with the relevant policies and regulations. As such, based on the legal opinion obtained, the Directors of the Company are of the opinion that costs incurred for the re-forestation works are fully recoverable in future in accordance with the applicable policies and regulations.

10. Creditors and accruals, and other payables are analysed as follows:

	2014	**2013**
	HK$'000	**HK$'000**
Current liabilities		
Creditors	**72,978**	56,845
Accruals	**9,671**	4,780
Due to an intermediate holding company	**4,753**	–
Due to fellow subsidiaries	**53,185**	32,139
Due to a joint venture	**17,781**	–
	158,368	93,764
Non-current liabilities		
Other payables:		
Due to an intermediate holding company	**318,318**	627,551
Due to a fellow subsidiary	**1,372,711**	1,393,207
Due to a joint venture	**1,190,872**	1,208,653
	2,881,901	3,229,411

Other payables under non-current liabilities are secured by the pledge over the equity interests in the relevant holding companies of the Group's property development projects, bear interest at 5% (2013 – 5%) per annum and are repayable on or before 13th September, 2016.

Except for an aggregate amount of HK$32,688,000 included in the amounts due to fellow subsidiaries which is unsecured, interest free and has no fixed terms of repayment, the amounts due to an intermediate holding company, a fellow subsidiary and a joint venture in an aggregate amount of HK$43,031,000 included in current liabilities represents the accrued interest on the other payables included under non-current liabilities, and are secured by the pledge over the equity interest in the relevant holding companies of the Group's property development projects and repayable within one year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31st December, 2014.

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st December, 2014, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2014, except that:

(1) The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

(2) The Non-Executive Director and Independent Non-Executive Directors of the Company were not appointed for specific terms, but in accordance with the provisions of the Articles of Association of the Company, all Directors (including the Non-Executive Director and the Independent Non-Executive Directors) of the Company are subject to retirement by rotation at least once every three years, and the retiring Directors are eligible for re-election.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

Executive Directors:
Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Miss LO Po Man
(Vice Chairman)
Mr. Kenneth WONG Po Man
(Chief Operating Officer)
Mr. Kelvin LEUNG So Po
(Chief Financial Officer)
Mr. Daniel BONG Shu Yin
Mr. Kenneth NG Kwai Kai

Non-Executive Director:
Mr. Francis BONG Shu Ying

Independent Non-Executive Directors:
Ms. Judy CHEN Qing, JP
Ms. Alice KAN Lai Kuen
Mr. LEE Choy Sang
Mr. David LI Ka Fai
Hon Abraham SHEK Lai Him, GBS, JP

By Order of the Board
LO YUK SUI
Chairman

Hong Kong, 24th March, 2015