CHINA INVESTMENTS HOLDINGS LIMITED
中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 132)

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

AUDITED CONSOLIDATED RESULTS

The board of directors (the "Directors") of China Investments Holdings Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 as follows:

		2014	2013
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	*3*	**32,448**	29,616
Cost of sales and services		**(19,523)**	(15,421)
Gross profit		**12,925**	14,195
Other operating income	*6*	**7,662**	22,827
Selling and distribution costs		**(1,646)**	(982)
Administrative expenses		**(54,355)**	(31,291)
Increase/(decrease) in fair value of investment properties		**7,895**	(538)
Impairment loss on properties held for sale		**–**	(1,962)
Gain on bargain purchase	*5*	**86,388**	–
Share of profit of associates		**22,034**	–
Finance costs		**(5,229)**	–
Profit before taxation		**75,674**	2,249
Income tax credit/(expense)	*7*	**5,364**	(2,260)
Profit/(loss) for the year from continuing operations	*8*	**81,038**	(11)

* *For identification purpose only*

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Discontinued operations			
Loss from discontinued operations and compensation		**–**	(5,360)
Gain on written back of unclaimed liabilities and accounts payable legally time barred and lapsed, net of income tax		**–**	3,952
Net loss for the year from discontinued operations	*9*	**–**	(1,408)
Profit/(loss) for the year and attributable to owners of the Company		**81,038**	(1,419)
Other comprehensive (expense)/income, net of income tax			
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of hotel properties		**2,897**	597
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(4,123)**	5,100
Share of exchange difference of associates		**(4,428)**	–
Other comprehensive (expense)/income for the year, net of income tax		**(5,654)**	5,697
Total comprehensive income for the year and attributable to owners of the Company		**75,384**	4,278
Earnings/(loss) per share	*10*		
From continuing and discontinued operations			
Basic		**HK6.22 cents**	(HK0.12 cent)
Diluted		**HK6.22 cents**	(HK0.12 cent)
From continuing operations			
Basic		**HK6.22 cents**	HK0 cent
Diluted		**HK6.22 cents**	HK0 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Investment properties		**291,304**	11,422
Property, plant and equipment		**137,177**	128,349
Interests in associates	*11*	**694,625**	–
		1,123,106	139,771
Current assets			
Properties held for sale		**57,454**	57,578
Inventories		**1,284**	1,590
Trade and other receivables	*12*	**9,064**	137,584
Financial assets at fair value through profit or loss		**–**	1
Pledged bank deposit	*13*	**122,467**	–
Bank balances and cash	*13*	**145,359**	378,888
		335,628	575,641
Current liabilities			
Trade and other payables	*14*	**105,267**	104,683
Tax payable		**19,141**	18,671
Bank loans	*15*	**116,444**	–
		240,852	123,354
Net current assets		**94,776**	452,287
Total assets less current liabilities		**1,217,882**	592,058
Capital and reserves			
Share capital		**171,233**	118,833
Reserves		**824,349**	473,225
Total equity		**995,582**	592,058
Non-current liabilities			
Bank loans	*15*	**122,424**	–
Convertible notes	*16*	**97,469**	–
Deferred tax liabilities	*17*	**2,407**	–
		222,300	–
		1,217,882	592,058

Notes:

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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

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

In the current year, the Group has adopted the following amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are or have become effective for the Group's financial year beginning on 1 January 2014.

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

The adoption of the new or revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 – 2014 Cycle[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[4]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations[4]
HKAS 1 (Amendments)	Disclosure Initiative[4]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[4]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 19 (Amendments)	Defined benefit plans: Employee Contributions[1]
HKAS 27 (Amendments)	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
3 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
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

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

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 that Ordinance. 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. TURNOVER

Turnover represents the gross amounts received and receivable for revenue arising on hotel operations, goods sold by the Group to outside customers, less return and allowances and gross rental income during the year.

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions – hotel operations, property investment and other operating segment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Hotel operations	–	hotel ownership and management
Property investment	–	holding investment properties and properties held for sale
Other operating segment	–	wood processing

Fibreboard operations was discontinued in 2011. The segment information reported on this note does not include any amounts for discontinued operations, which are described in more details in note 9.

Segment information about these continuing operations is presented below:

	Segment Revenue		**Segment Result**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hotel operations	**23,669**	25,714	**(5,832)**	(1,994)
Property investment	**3,604**	2,329	**925**	1,968
Other operating segment	**5,175**	1,573	**(1,500)**	(775)
Total for continuing operations	**32,448**	29,616	**(6,407)**	(801)
Interest income			**6,980**	12,472
Increase/(decrease) in fair value of investment properties			**7,895**	(538)
Impairment loss on properties held for sale			**–**	(1,962)
Professional fee			**(7,557)**	(1,857)
Net central administration cost			**(19,510)**	(14,013)
Net exchange (loss)/gain			**(8,920)**	8,948
Gain on bargain purchase			**86,388**	–
Share of profit of associates			**22,034**	–
Finance costs			**(5,229)**	–
Profit before taxation			**75,674**	2,249
Income tax credit/(expense)			**5,364**	(2,260)
Profit/(loss) for the year (continuing operations)			**81,038**	(11)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: nil).

Segment result represents the profit/(loss) generated by each segment without allocation of interest income, change in fair value of investment properties, impairment loss on properties held for sale, professional fee, central administration costs, exchange gain or loss, gain on bargain purchase, share of profit of associates and finance costs. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

SEGMENTS ASSETS AND LIABILITIES

	2014	2013
	HK$'000	*HK$'000*
Segment assets		
Hotel operations	**125,736**	129,199
Property investment	**365,134**	197,332
Other operating segment	**1,368**	2,908
Total segment assets	**492,238**	329,439
Pledged bank deposit	**122,467**	–
Bank balances and cash	**145,359**	378,888
Interests in associates	**694,625**	–
Unallocated assets	**4,045**	7,085
Consolidated assets	**1,458,734**	715,412
Segment liabilities		
Hotel operations	**3,927**	4,122
Property investment	**2,631**	405
Other operating segment	**522**	882
Total segment liabilities	**7,080**	5,409
Convertible notes	**176,377**	78,908
Bank loans	**238,868**	–
Unallocated liabilities	**40,827**	39,037
Consolidated liabilities	**463,152**	123,354

Other segment information

2014

	Hotel operations *HK$'000*	**Property investment** *HK$'000*	**Other operating segment** *HK$'000*	**Total** *HK$'000*
Continuing operations				
Depreciation	**7,886**	**131**	**584**	**8,601**
Additions to non-current assets	**1,557**	**–**	**–**	**1,557**
Loss/(gain) on disposal of property, plant and equipment	**28**	**–**	**(14)**	**14**

2013

	Hotel operations *HK$'000*	Property investment *HK$'000*	Other operating segment *HK$'000*	Total *HK$'000*
Continuing operations				
Depreciation	7,823	–	600	8,423
Additions to non-current assets	24,082	–	–	24,082
Loss on disposal of property, plant and equipment	28	–	–	28

Geographical information

The Group's hotel operations and other operating segments are located in the People's Republic of China, other than Hong Kong (the "PRC").

Property investment operations are located in both PRC and Hong Kong.

The Group's revenue from continuing operations from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Sales revenue by geographical market		Non-current assets*	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC	**31,570**	28,903	**376,856**	128,425
Hong Kong	**878**	713	**51,413**	11,000
	32,448	29,616	**428,269**	139,425

* *Non-current assets exclude interest in associates.*

Information about major customers

Included in revenue arising from the sales of wood chips of HK$5,175,000 (2013: HK$1,573,000) are revenue of approximately HK$5,175,000 (2013: HK$1,573,000) which arose from sales to the Group's largest customer (the other operating segment).

Save as disclosed above, for the years ended 31 December 2014 and 31 December 2013, no other single customers accounted for 10% or more of the Group's total revenue from continuing operations.

5. BUSINESS COMBINATION

On 5 June 2014, China Investments Limited, a wholly-owned subsidiary of the Company, entered into an acquisition agreement with 佛山市南海區公有資產管理委員會辦公室 (Office of the Nanhai District of Foshan City Public Assets Administration Commission*), Prize Rich Inc., a substantial shareholder of the Company and related persons for the acquisition of the entire issued share capital of Southern Limited and its direct and indirect holding of approximately 32.636% equity interest in 南海長海發電有限公司 (Nanhai Changhai Power Company Limited*) ("Changhai Power") at the consideration of HK$497,400,000, which was satisfied by (i) issuance of 524,000,000 shares of the Company ("Consideration Shares") and (ii) issuance of convertible notes with a principal amount of approximately HK$166,232,000. The acquisition of Southern Limited was completed on 13 October 2014.

The principal activities of Southern Limited are investment holding and property investment. The principal asset of Southern Limited is the equity interest in Changhai Power, which is principally engaged in the cogeneration of thermal power and heat and the operation of a combined heat and power plant in Nanhai District, Foshan City, Guangdong Province, the PRC. The acquisition represents an opportunity to access to the cogeneration of thermal power and heat business in the PRC, enabling the Group to explore the potential of the industry.

Acquisition-related costs amounting to HK$6,218,000 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "administrative expenses" line item in the statement of profit or loss and other comprehensive income.

* *For identification purpose only*

The following table summarises the consideration paid for Southern Limited, the fair value of assets acquired and liabilities assumed as at 13 October 2014.

	HK$'000
Consideration:	
Consideration shares- 524,000,000 ordinary shares *(Note)*	293,440
Convertible notes- equity component *(Note 16)*	34,700
Convertible notes- liability component *(Note 16)*	94,570
Total consideration	422,710

The fair values of the identifiable assets and liabilities of Southern Limited as at the date of acquisition were as follows:

Recognised fair value of identifiable assets acquired and liabilities assumed

	HK$'000
Property, plant and equipment	13,031
Investment properties	19,500
Interests in an associate	485,042
Other receivables and deposits	4
Prepaid income tax	16
Bank balances and cash	4,907
Other payables	(88)
Deferred tax liabilities	(13,314)
Total identifiable net assets	509,098
Gain on bargain purchase	(86,388)

Note: The fair value of 524,000,000 ordinary shares issued was based on the market price of the Company on 13 October 2014.

Net cash inflow on acquisition of subsidiary

	31.12.2014
	HK$'000
Consideration paid in cash	–
Less: Cash and cash equivalent balances acquired	4,907
Net inflow of cash and cash equivalents included in cash flow from investing activities	(4,907)

Impact of acquisition on the results of the Group

Included in the profit for the year is HK$14,798,000 attributable to the additional business generated by Southern Limited. Revenue for the year includes HK$133,000 in respect of Southern Limited.

Had this business combination been effected on 1 January 2014, the revenue of the Group from continuing operations would have been HK$32,846,000, and the profit for the year from continuing operations would have been HK$112,366,000.

The Directors of the Company consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a preference point for the comparison in future periods.

In determining the "pro-forma" revenue and profit of the Group had Southern Limited been acquired at the beginning of the current year, the Directors have:

- calculated depreciation of property, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and

- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

6. OTHER OPERATING INCOME

Other operating income included the following items:

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Interest income	**6,980**	12,472
Gain on disposal of financial assets through profit or loss	**1**	–
Net exchange gain	**–**	8,948
Provision for loss in litigation written back	**–**	288

7. INCOME TAX CREDIT/(EXPENSE)

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Tax charges comprises:		
Current tax – Provision for PRC enterprises income tax	**(10,801)**	(2,260)
Over-Provision for PRC enterprises income tax	**5,424**	–
Deferred Tax:		
Current year	**10,741**	–
	5,364	(2,260)

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the year ended 31 December 2014 (2013: Nil). PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years.

8. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

	2014 HK$'000	2013 HK$'000
Continuing operations		
Profit/(loss) for the year has been arrived at after (charging)/crediting:		
Depreciation of property, plant and equipment	**(8,758)**	(8,593)
Auditor's remuneration	**(1,000)**	(700)
Staff costs (including Directors' remuneration and retirement benefit scheme contribution)	**(19,875)**	(15,069)
Loss on disposal of property, plant and equipment	**(14)**	(28)
Net gain on disposal of property held for sale	**206**	–
Net gain on disposal of investment property	**352**	–
Impairment loss on trade and other receivables	**10**	–
Net exchange (loss)/gain	**(8,920)**	8,948
Gross rental income from investment properties	**2,677**	2,329
Less:		
Direct operating expenses from investment properties that generated rental income during the year	**(26)**	(22)
Direct operating expenses from investment properties that did not generate rental income during the year	**(287)**	(229)
	2,364	2,078

9. DISCONTINUED OPERATIONS

On 20 December 2011, the Foshan City Nanhai District Environment, Transport and City Management Authority「佛山市南海區環境運輸和城市管理局」("Foshan Environmental Authority") issued a notice to Foshan City Nanhai Kang Sheng Timber Company Limited ("Kang Sheng") and Foshan City Nanhai Jia Shun Timber Company Limited ("Jia Shun"), the wholly-owned subsidiaries of the Company and the Joint Venture Company, the Company's 42%-owned associate, which carried out all of the Group's fibreboards operations, requiring them to cease their operations at the landed property (including land use rights and the buildings and structures thereon) situated at Foshan City which was leased to Kang Sheng and Jia Shun ("the property") before 31 December 2011, in order to reducing the emission of pollutants and improving the environment in the region.

The Company signed Compensation Memorandum with the Foshan City Nanhai District People's Government「佛山市南海區人民政府」("Foshan Nanhai Government"). Pursuant to the Compensation Memorandum, Foshan Nanhai Government resumed the property situated at Foshan City that was leased to Kang Sheng and Jia Shun, and a lump sum payment was made to the Group as compensation for the cessation of fibreboard business. Details of this transaction and terms of compensations have been set out in the Company's announcement dated at 20 December 2011.

The result of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows are set out below.

	2014	2013
	HK$'000	*HK$'000*
Loss for the year from discontinued operations		
Turnover	**–**	2,443
Cost of sales	**–**	(1,995)
Gross profit	**–**	448
Other operating income	**–**	118
Administrative expenses	**–**	(3,326)
Net profit on disposal of fibreboard business asset	**–**	4,364
Profit before taxation from discontinued operations	**–**	1,604
Attributable income tax expense	**–**	(6,964)
Loss from discontinued operation and compensation	**–**	(5,360)
Gain on written back of unclaimed liabilities and accounts payable legally time barred and lapsed, net of income tax *(Note)*	**–**	3,952
Net loss for the year from discontinued operations attributable to owners of the Company	**–**	(1,408)

Note: The unclaimed liabilities and payables were generated from fibreboard business. The Company announced the cessation of fibreboard business on 20 December 2011. Up to the reporting date, no recourse of the unclaimed liabilities and payables was received by the Group. According to the legal opinion, the unclaimed liabilities and payables had been legally time barred and lapsed. Thus, the Directors decided to write back the unclaimed liabilities and payables.

Loss for the year from discontinued operations include the following:

	2014	2013
	HK$'000	*HK$'000*
Depreciation and amortization	**–**	–
Auditor's remuneration	**–**	–

Cash flows from discontinued operations

	2014	2013
	HK$'000	*HK$'000*
Net cash outflows from operating activities	**–**	(1,317)
Net cash inflows from investing activities	**–**	10,386
Net cash inflows	**–**	9,069

10. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company	**81,038**	(1,419)

	2014	2013
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,303,178**	1,188,329

From continuing operations

The calculation of basic and diluted earnings/(loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to owners of the Company	**81,038**	(1,419)
Less:		
Loss for the year from discontinued operations	**–**	(1,408)
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share from continuing operations	**81,038**	(11)

The denominators used are the same as those detailed above for both the basic and diluted earnings/(loss) per share.

From discontinued operations

In prior year, basic and diluted loss per share from discontinued operations was approximately HK$0.12 cent, based on the loss from discontinued operations of approximately HK$1,408,000 and the denominators detailed above for both the basic and diluted loss per share.

For the year ended 31 December 2014, no dilutive earnings per share has been presented as the outstanding convertible notes for the year had no dilutive effect on the basic earnings per share as the conversion price was higher than the average market price of the Company's ordinary shares, and the conversion of the Company's outstanding convertible notes could only be converted into shares at any time following the third anniversary of the issue date up to the maturity date on 13 October 2019.

11. INTERESTS IN ASSOCIATES

Details of the Group's interests in associates are as follows:

	Guangdong Financial Leasing Co., Ltd	**Nanhai Changhai Power Company Limited**	**Total**	Total
	2014	**2014**	**2014**	2013
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*
Cost of investments in associates				
Unlisted	**191,977**	**485,042**	**677,019**	–
Share of post-acquisition profits	**6,963**	**15,071**	**22,034**	–
Share of other comprehensive income	**1,729**	**(6,157)**	**(4,428)**	–
	200,669	**493,956**	**694,625**	–

Details of each of the Group's material associates at the end of the reporting period are as follows:

Entity Name	**Form of the entity**	**Place of incorporation**	**Principal place of operation**	**Class of shares held**	**Proportion of ownership interest held by the Group**	**Proportion of voting rights held by the Group**	**Principal activities**
Guangdong Financial Leasing Co., Ltd *(Note 1)*	Incorporated	The People's Republic of China (the ''PRC'')	The People's Republic of China (the ''PRC'')	Ordinary	25%	25%	Finance leasing business and related advisory and guarantee services
Nanhai Changhai Power Company Limited *(Note 2)*	Incorporated	The People's Republic of China (the ''PRC'')	The People's Republic of China (the ''PRC'')	Ordinary	32.636%	32.636%	Generation and sale of electricity and heated steam

Note 1: On 17 January 2014, CIH Finance Investment Holdings Limited, a wholly-owned subsidiary of the Company, entered into the joint venture agreement with Guangdong Technology Financial Group Co., Ltd. ("Guangdong Tech-Finance"), Guangdong Qunxing Toys Joint-Stock Co., Ltd. ("Guangdong Qunxing") and Centenio Group Co., Ltd. ("Centenio Group") for the establishment of Guangdong Financial Leasing Co., Ltd. (the "Joint Venture Company") to engage in finance leasing business in Guangdong, the PRC. The initial registered capital of the Joint Venture Company will be RMB620,000,000 and it will be contributed as to 35% by Guangdong Tech-Finance, 25% by CIH Finance Investment Holdings Limited, 20% by Guangdong Qunxing and 20% by Centenio Group.

Under the joint venture agreement, the board of the associate can pass the resolution without the agreement from all directors in the board. The Directors of the Company consider that there is no joint control in this agreement and it is therefore classified as an associate of the Group.

Note 2: On 5 June 2014, China Investments Limited, a wholly-owned subsidiary of the Company, entered into an acquisition agreement with Office of the Nanhai District of Foshan City Public Assets Administration Commission, Prize Rich Inc. and related persons in relation to the indirect acquisition of the 32.636% equity interest in Nanhai Changhai Power Company Limited ("Changhai Power") at the consideration of HK$497,400,000. The acquisition was completed on 13 October 2014.

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Guangdong Financial Leasing Co., Ltd

	2014	2013
	HK$'000	*HK$'000*
Current assets	**519,646**	–
Non-current assets	**600,748**	–
Current liabilities	**(25,188)**	–
Non-current liabilities	**(292,529)**	–
Net asset value	**802,677**	–

	2014	2013
	HK$'000	*HK$'000*
Revenue	**31,286**	–
Profit for the year	**27,852**	–
Other comprehensive income for the year	**6,919**	–
Total comprehensive income for the year	**34,771**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2014	2013
	HK$'000	*HK$'000*
Net assets of the associate	**802,677**	–
Proportion of the Group's ownership interest in Guangdong Financial Leasing Co. ,Ltd	**25%**	–
Carrying amount of the Group's interest in Guangdong Financial Leasing Co. ,Ltd	**200,669**	–

Nanhai Changhai Power Company Limited

	2014	2013
	HK$'000	*HK$'000*
Current assets	**602,987**	–
Non-current assets	**1,021,957**	–
Current liabilities	**(456,205)**	–
Net asset value	**1,168,739**	–

	2014	2013
	HK$'000	*HK$'000*
Revenue	**279,797**	–
Profit for the year	**46,179**	–
Other comprehensive income for the year	**(18,866)**	–
Total comprehensive income for the year	**27,313**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2014	2013
	HK$'000	*HK$'000*
Net assets of the associate	**1,168,739**	–
Proportion of the Group's ownership interest in Nanhai Changhai Power Company Limited	**32.636%**	–
Carrying amount of the Group's interest in Nanhai Changhai Power Company Limited *(Note)*	**493,956**	–

Note:

On 13 October 2014, there was undistributed profit of approximately HK$135,595,000 included in the net asset value of Nanhai Changhai Power Company Limited which had been acquired by the Group through the acquisition of Southern Limited. It is therefore the carrying amount of the Group's interest in Nanhai Changhai Power Company Limited as at 31 December 2014 cannot be directly calculated by multiplying its net assets with the proportion of the Group's ownership interest.

12. TRADE AND OTHER RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group allows an average credit period of 90 days to its customers.

The following is an aging analysis of the Group's trade receivables after deducting the allowance for doubtful debts presented based on invoice dates at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**683**	1,266
61–90 days	**202**	148
91–120 days	**181**	123
over 120 days	**86**	88
Trade receivables	**1,152**	1,625
Other receivables	**7,912**	135,959
	9,064	137,584

Other receivables included the following items:

	2014	2013
	HK$'000	*HK$'000*
Prepayment for the acquisition of property *(Note)*	**2,000**	130,657
Interest receivable	**2,264**	3,743
Utility deposit, prepayment and other receivables	**3,648**	1,559
	7,912	135,959

Note: The other receivable was deposit paid by the Group to purchase a property which comprises 98 office units situated at Block 1 of Guangdong-Hongkong Finance and Technology Park, 6 Jinke Road, Guicheng Street, Nanhai District, Foshan city, Guangdong Province, the PRC, by way of pre-sale prior to the completion of the construction of the property in year 2013. The acquisition was completed on 14 November 2014 and the deposit amount HK$130,657,000 was transferred to and accounted for as an investment property.

At the end of the reporting period, the other receivable amounted to HK$2,000,000 was deposit paid by the Group to purchase a property which comprises the units numbered 1,14 & 15 on the 5th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong, with a total gross floor area of approximately 4,620 square feet, on 16 December 2014.

The Group does not hold any collateral or other credit enhancements over these balances.

Of the trade receivables balance at the end of the year, HK$253,000 (2013: HK$125,000) is due from the Group's largest customer. There are eight (2013: five) other customers who represent more than 5% of the total balance of trade receivables amounting to HK$874,000 (2013: HK$570,000).

At as 31 December 2014, trade receivables over 90 days amounted to HK$267,000 (2013: HK$211,000) were past due but not impaired as the balance were related to debtors with sound repayment history and no recent history of default.

Age of receivables that are past due but not impaired:

	2014	2013
	HK$'000	*HK$'000*
91-120 days	**181**	123
Over 120 days	**86**	88
	267	211

Movement in the allowance for doubtful debts:

	2014	2013
	HK$'000	*HK$'000*
Balance at the beginning of the year	**252**	245
Impairment recognised on receivables	**10**	–
Foreign exchange translation gains and losses	**(6)**	7
Balance at the end of the year	**256**	252

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

As at 31 December 2014, trade receivable over 120 days amounted to HK$10,000 (2013: Nil) were impaired and fully provided for.

The carrying amounts of the trade and other receivables that were neither past due nor impaired relate to other debtors for whom there was no recent history of default. The Directors considered that the carrying amount of trade and other receivables approximates to their fair value.

13. BANK BALANCES AND CASH/PLEDGED BANK DEPOSIT

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of six months or less.

Bank balances are interest bearing at respective saving deposits rate in Hong Kong and the PRC, and the effective interest rates of the Group's bank balances ranged from 0.2% to 3.22% per annum in Hong Kong and ranged from 1.13% to 3.47% per annum in the PRC (2013: 0.01% to 1.5% per annum in Hong Kong and 1% to 3.05% per annum in the PRC). The pledged bank deposit carries fixed interest rate of range from 2.85% to 2.95% (2013: Nil) per annum.

Pledged bank deposit represents deposit per annum pledged to bank to secure banking facilities granted to the Group. Deposit amounting to HK$122,467,000 (2013: Nil) has been pledged to secure a short-term bank loan and is therefore classified as current asset. The pledged bank deposit will be released upon the settlement of relevant bank borrowing.

The carrying amounts of bank balances and cash and pledged bank deposit are denominated in the following currencies:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong Dollars	**6,154**	5,253
Renminbi	**261,342**	373,512
United States Dollars	**330**	123
	267,826	378,888

14. TRADE AND OTHER PAYABLES

The credit period granted by the Group's supplies ranges from 30 days to 90 days.

The following is an aging analysis of the Group's trade payables by age based on the invoice date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
0–60 days	**941**	1,247
61–90 days	**126**	133
91–120 days	**113**	121
over 120 days	**183**	196
Trade payables	**1,363**	1,697
Other payables	**103,904**	102,986
	105,267	104,683

Other payables included the following items:

	2014	2013
	HK$'000	*HK$'000*
Other tax payable	**9,832**	10,111
Payable on convertible notes interest payable *(Note 1)*	**78,908**	78,908
Others *(Note 2)*	**15,164**	13,967
	103,904	102,986

Notes:

(1) On 9 May 2002, the Group issued HK$230,000,000 convertible notes (the "2002 CB") which were due on 9 May 2007 (the "Maturity Date"), bearing interest at 1% per annum and in units of HK$1,000,000 each. As at 31 December 2014 and 2013, the balance of HK$75,000,000 2002 CB were due but not converted. Such principal monies together with all interest accrued thereon up to Maturity Date, amounting to HK$3,908,000, were reclassified as other payables and become repayable on demand.

(2) Others include accrued staff salaries and welfare, deposit received from hotel customers and other temporary receipt.

The Directors considered that the carrying amount of trade and other payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. BANK LOANS

	2014	2013
	HK$'000	*HK$'000*
Secured	**238,868**	–
Carrying amount repayable:		
Within one year	**116,444**	–
More than one year, but not exceeding two years	**10,000**	–
More than two years, but not more than five years	**37,500**	–
More than five years	**74,924**	–
	238,868	–
Less: Amounts shown under current liabilities	**116,444**	–
	122,424	–

During the year, the Group obtained new short-term loans and long-term loans amounting to HK$113,944,000 and HK$124,924,000 respectively.

The short-term bank loans of HK$113,944,000 are secured by the Group's fixed deposit of approximately HK$122,467,000 (2013: nil). The short-term loans carry fixed interest rate at range from 2.1% to 2.3% per annum and are repayable within half year. The proceeds were used to finance the establishment of an associate, Guangdong Financial Leasing Co., Ltd, and the Group's daily operation.

The long-term bank loans of HK$124,924,000 are secured by the Group's investment property of approximately HK$252,500,000 (2013: nil) that is situated at Block 1 of Guangdong-Hongkong Finance & Technology Park, 6 Jinke Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province, the PRC. The long-term loans carry floating interest rate of the People's Bank of China. The weighted average effective rate on the bank loan is 6.15% (31 December 2013: nil) per annum and repayable within ten years. The proceeds were used to finance the purchase of that investment property.

16. CONVERTIBLE NOTES

On 9 May 2002, the Group issued HK$230,000,000 convertible notes (the "2002 CB") which were due on 9 May 2007 (the "Maturity Date"), bearing interest at 1% per annum and in units of HK$1,000,000 each. As at 31 December 2014 and 2013, the balance of HK$75,000,000 2002 CB were due but not converted. Such principal monies together with all interest accrued thereon up to Maturity Date, amounting to HK$3,908,000, were reclassified as other payables and become repayable on demand.

On 13 October 2014, the Company issued convertible notes in the principal amount of HK$166,232,000 (the "2014 CB") (of which its fair value at the issuance date is approximately HK$129,270,000) as part of the consideration for the acquisition of Southern Limited. The 2014 CB bears coupon rate of 2% per annum and are convertible into shares of the Company at a conversion price of HK$0.76 per share at any time following the third anniversary of the issue date up to the maturity date on 13 October 2019. At any time prior to the maturity date of the 2014 CB, the Company is entitled to redeem in whole or in part of the 2014 CB at the principal amount then outstanding or such parts of the principal amount then outstanding together with the relevant accrued and unpaid interest. Unless previously redeemed, converted or purchased and cancelled, the 2014 CB will be redeemed on the maturity date on 13 October 2019. The 2014 CB carries interest at a rate of 2% per annum, which is payable annually in arrears or upon the conversion or redemption of the bonds.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in the convertible note equity reserve.

	Liability component	Equity component	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2013, 31 December 2013 and 1 January 2014	–	–	–
Issue of convertible notes on 13 October 2014 (the "2014 CB")	94,570	34,700	129,270
Interest charged calculated at an effective interest rate of 14.16%	2,899	–	2,899
At 31 December 2014	97,469	34,700	132,169

The fair value of the liability component of the 2014 CB is determined by using the discounted cash flow method, with the following key assumptions:

Time to maturity	5 years
Discount rate	13.68% – 14.82%
Probability of early redemption	0%

The fair value of the equity component of the 2014 CB is determined by using the binominal model, with the following key assumptions:

Fair value of shares of the Company	HK$0.56 each
Conversion price	HK$0.76
Risk free interest rate	1.258%
Time to maturity	5 years
Expected volatility	66.948%
Expected dividend yield	Nil
Bond yield	8.154%
Conversion period	13 October 2017 to 13 October 2019
Early redemption period	13 October 2014 to 13 October 2019

17. DEFERRED TAXATION

The following is the major deferred tax liability recognised and movement thereon during the current and prior years:

	Undistributed profits of an associate
	HK$'000
At 1 January 2013, 31 December 2013 and 1 January 2014	–
Acquisitions	13,314
Credit to profit or loss	(10,741)
Exchange differences	(166)
At 31 December 2014	2,407

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2014	2013
	HK$'000	*HK$'000*
Deferred tax liabilities	**2,407**	–

No deferred tax has been provided in respect of the valuation surplus relating to the Hotel Properties for the year as the carrying amount does not exceed the total investment cost and the Directors considered that there is not taxable flow of economic benefits to the Group.

At the end of the reporting period, the Group has unused tax losses of HK$1,892,000 (31 December 2013: HK$126,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictablility of future profit streams.

Pursuant to the PRC Corporate Income Tax Law dependent upon the nationality and domicile of the foreign investors, a 5% to 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has become effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rates range from 5% to 10%.

As at 31 December 2014, the unrecognised deferred tax liabilities were approximately HK$13,300 (2013: approximately HK$15,000), relating to withholding tax that would be payable for undistributed profits of PRC subsidiaries, as the Directors consider that the timing for reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these PRC subsidiaries as at 31 December 2014 amounted to approximately HK$133,000 (2013: approximately HK$149,000).

With regard to the Group's investment properties, as none of them is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

As at 31 December 2014, the Group has a temporary difference of HK$71,662,000 arising from the initial recognition of the equity component of convertible note. No deferred tax liability has been recognised in relation to such temporary difference since the Directors consider that such temporary difference is not probable deducted as no assessable profit will be available.

18. CONTINGENT LIABILITIES

The Group had a maximum contingent consideration of HK$48,000,000 in respect of the acquisition of the entire issued share capital of Can Manage Trading Limited ("Can Manage"). This amount would become payable, among others, if the consolidated net profit of Can Manage and its subsidiary, Foshan City Nanhai Jia Shun Timber Company Limited ("Jia Shun"), achieved an amount of HK$70,000,000 for the year ended 31 December 2002 and HK$80,000,000 for the year ended 31 December 2003.

However, the operation of Jia Shun was suspended during the period from 17 August 2003 to 10 October 2003 due to a failure in the supply of electricity and steam from the power plant operated under the power supply agreement and a court order dated 19 August 2003 to freeze Jia Shun's assets in relation to an alleged claim from the Shenzhen Development Bank Foshan Branch. In addition, the production facilities were substantially different from those prior to the suspension. In view of all the above incidents and as the consolidated net profit of Can Manage and Jia Shun for the year ended 31 December 2003 did not reach HK$80,000,000, the Directors consider that the Group is not liable to pay any contingent consideration.

However, as the vendor is not contactable up to the date of this announcement, the Directors decide to reflect this amount as a contingent liability.

19. EVENT AFTER THE REPORTING PERIOD

Reference to the announcement of the Company dated 17 December 2014 in relation to acquisition of the units numbered 1, 14 & 15 on the 5th Floor, Wing On Plaza, 62 Mody Road, Kowloon, Hong Kong, with a total gross floor area of approximately 4,620 square feet at a consideration of HK$72,900,000, the second deposit of HK$5,290,000 and the balance of HK$65,610,000 were paid on 13 January 2015 and 18 March 2015 respectively.

CHAIRMAN'S STATEMENT

Business Review

In 2014, the Group completed the preparation of lease financing project and the acquisition of cogeneration of thermal power and heat project, successfully making its first step towards business transformation, which not only reversed the Group's loss situation last year, but also laid the foundation and direction for the future business development of the Group. For the year ended 31 December 2014, the Group recorded total turnover of HK$32,448,000, representing an increase of 1.2% as compared to that of the same period last year. The Group recorded a profit of HK$81,038,000. After deducting the revaluation gain from issuance of consideration shares of HK$74,690,000, the Group's operating profit was HK$6,348,000.

Hotel Business

Due to heavy-handed crackdowns on use of public funds for hospitality purposes, number of customers coming for meetings continued to shrink. During the period, Guilin Plaza proactively explored new markets, enhanced network and reinforced sales of group tourists. There was a slight increase for the number of customers for the year. However, price reductions among hotels continued and the room rates continued to be under pressure. Guilin Plaza's overall revenue for the year recorded a decline. For the year ended 31 December 2014, Guilin Plaza recorded turnover of HK$23,669,000, representing a decrease of 8% as compared to that of last year, and operating loss of HK$5,832,000, representing an increase of 192.5% as compared to that of last year.

Property Investment

For the year ended 31 December 2014, the Group's total property sales amounted to HK$927,000 and property sales operating profit amounted to HK$558,000. Property rental income for 2014 amounted to HK$2,677,000, representing an increase of 14.9% over that of last year. Property occupancy rate was 70.2%, representing a decrease of 1.6% over that of the same period last year.

In November 2014, the Group obtained vacant possession of Zhongkong Tower (中控大廈) (also known as Block 1 of Guangdong-Hongkong Finance & Technology Park (粵港金融科技園)) located at Nanhai District, Foshan City, which is under property management planning and leasing planning. It is expected that the Group will have gradual increase in rental income.

Subsequent to the reporting period, Taily International Traders Limited, a wholly-owned subsidiary of the Company, entered into a formal sale and purchase agreement on 13 January 2015, acquiring the premises of flats 1, 14 and 15, 5th floor, Wing On Plaza, 62 Mody Road, Kowloon, Hong Kong, for a total consideration of HK$72.9 million. The acquisition was completed on 18 March 2015. Such property is currently leased back to the vendor for a term of 12 months at a total rent of HK$1.9 million. Upon expiration of the lease term, such premises will be used as the Group's headquarters in Hong Kong.

Gains on Investments in Associates

The establishment of Guangdong Financial Leasing Co., Ltd. ("Guangdong Financial Leasing"), a 25%-owned associate of the Group, was completed in early 2014 and Guangdong Financial Leasing commenced operation in April 2014. For the period from April 2014 to December 2014, Guangdong Financial Leasing recorded net operating profit of HK$27,852,000, contributing a revenue of HK$6,963,000 to the Group.

On 13 October 2014, the Company completed the acquisition of the entire equity interest of Southern Limited, and in turn was indirectly interested in 32.636% of the equity interest of Nanhai Changhai Power Company Limited ("Changhai Power"). Changhai Power's net operating profit for 2014 was HK$164,562,000, representing an increase of 4.8% compared with 2013. Investment profit attributable to the Group was HK$15,071,000.

Financial Position and Analysis

As at 31 December 2014, the Group had total assets of HK$1,458,734,000 (31 December 2013: HK$715,412,000). The Group had bank loans and other long-term debts of HK$336,337,000 (31 December 2013: Nil). Net assets amounted to HK$995,582,000 (31 December 2013: HK$592,058,000). Gearing ratio (being bank loans and long-term debts divided by total assets) was 23.1% (31 December 2013: 0%). Net assets per share amounted to HK58.14 cents (31 December 2013: HK49.82 cents).

The Group's net current assets amounted to HK$94,776,000 (31 December 2013: HK$452,287,000). Current ratio (being current assets divided by current liabilities) was approximately 1.39 times (31 December 2013: 4.67 times), while bank balances and cash amounted to HK$267,826,000 (31 December 2013: HK$378,888,000). There will be sufficient funds to meet the capital requirements for the Group's operations and new projects or business development in the future.

Pledge of Assets

For the year ended 31 December 2014, certain bank deposits of the Group with a carrying amount of approximately HK$122,467,000 and investment property with a consideration of approximately HK$252,500,000 were pledged to bank as the security for the bank borrowings granted to the Group (2013: no mortgage borrowings).

Foreign Exchange Exposure

The Group's main operating income and costs are denominated in Renminbi. During the Group's operating process, the foreign exchange fluctuation of the income and costs can be mutually offset. However, due to the Hong Kong based Group putting a great deal of business loans into wholly-owned subsidiaries and the great amount of RMB-denominated monetary assets owned by the Group, the RMB appreciation or depreciation should bring exchange gain and loss respectively. It is expected that, when the exchange rate of Renminbi to HK dollar appreciates or depreciates by 5%, it will cause an increase or decrease of approximately HK$17,621,000 in the profit of this year. In retrospect of the past few years, Renminbi was always in the trend of appreciation, and gradually became stable until the second half of 2008 and still maintained upward momentum. But the exchange rate of RMB showed a downward trend this year, resulting in an exchange loss of approximately HK$8,920,000 by the Group. The Board believes that the chance of significant Renminbi depreciation will not be high and will not bring material adverse foreign exchange exposure to the Group in the long run. Accordingly, it is unnecessary for the Group to hedge against any foreign exchange risk.

Outlook

2014 was the first year since the Group's business transformation. Two associates provided satisfactory profit contribution to the Group, which not only reinforced the financial base of the Group, but also further strengthened the Group's investment confidence in relevant industries. The Directors believe that the associates will continue to bring investment return to the Group.

The Group will maintain its stable principle, optimise the Group's assets, improve operational efficiency, continue to carefully identify and screen investment projects with good prospects and high potentials for creating additional value, so as to fulfill the Group's plan of business transforming and upgrading, achieving the goals of continued growth in the Group's business and creating returns for shareholders.

EMPLOYEES

The total number of employees of the Group is approximately 193 (31 December 2013: 212). The remuneration of each employee of the Group is determined on the basis of his or her performance and responsibility. The Group provides education allowances to the employees.

DIVIDEND

The Directors do not recommend payment of a dividend for the year ended 31 December 2014 (2013: Nil).

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

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

CORPORATE GOVERNANCE

The Company puts great emphasis on corporate governance which is reviewed and strengthened on a continued basis. The Company has adopted all the code provisions under the Corporate Governance Code ("the Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code on corporate governance practice. For the year ended 31 December 2014, the Company has complied with all code provisions under the Code.

The audit committee comprising the three independent non-executive Directors of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a general review of the audited consolidated financial statements for the year ended 31 December 2014.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer ("the Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. On specific enquiry made, all Directors have confirmed that, in respect of the year ended 31 December 2014, they have complied with the required standard as set out in the Model Code.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, HLM CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA Limited on this announcement.

By Order of the Board of
China Investments Holdings Limited
He Xiangming
Chairman

Hong Kong, 25 March 2015

As at the date of this announcement, the Board consists of five executive directors, namely Mr. HE Xiangming (Chairman), Mr. SU Wenzhao (Managing Director), Mr. YOU Guang Wu (Director), Mr. HUANG Zhihe (Deputy Managing Director) and Ms. WANG Xin (Deputy Managing Director), and three independent non-executive directors, namely Mr. CHAN Kwok Wai, Mr. CHEN Da Cheng and Mr. DENG Hong Ping.