濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2014	Year ended 31 December 2013	Percentage Change
	HK$'000	*HK$'000*	
Revenue	**2,543,237**	2,229,133	14%
Gross profit	**465,083**	459,299	1%
Profit for the year	**218,970**	141,262	55%
	(Note 1)	*(Note 2)*	
Basic earnings per share attributable to owners of the Company during the year	**1.8 cents**	1.2 cents	0.6 cent

	31 December 2014	31 December 2013	Percentage Change
	HK$'000	*HK$'000*	
Total assets	**3,988,555**	3,847,329	4%
Total equity	**1,083,450**	872,095	24%
Total liabilities	**2,905,105**	2,975,234	-2%

Note:

1. On 5 August 2013, the Company issued convertible bonds due in 2016 an aggregate principal amount of HK$310,000,000.The change in the fair value of the conversion option from 31 December 2013 to 31 December 2014 resulted in a fair value gain of HK$41 million, which has been recorded in the consolidated income statement for the year ended 31 December 2014.

2. The change in the fair value of the conversion option from 5 August 2013 to 31 December 2013 resulted in a fair value loss of HK$53 million, which has been recorded in the consolidated income statement for the year ended 31 December 2013.

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors", individually a "Director") of Binhai Investment Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (thereafter collectively referred to as the "Group") for the year ended 31 December 2014, together with the audited comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

	Note	**Year ended 31 December 2014** ***HK$'000***	Year ended 31 December 2013 *HK$'000*
Revenue	*3*	**2,543,237**	2,229,133
Cost of sales	*5*	**(2,078,154)**	(1,769,834)
Gross profit		**465,083**	459,299
Administrative expenses	*5*	**(162,419)**	(167,508)
Other income and gains/(losses) — net	*4*	**127,774**	(11,002)
		430,438	280,789
Finance income	*6*	**3,409**	10,147
Finance expenses	*6*	**(134,639)**	(77,370)
Finance expenses — net	*6*	**(131,230)**	(67,223)
Share of profit/(loss) of investments accounted for using the equity method		**505**	(33)
Profit before income tax		**299,713**	213,533
Income tax expenses	*7*	**(80,743)**	(72,271)
Profit for the year		**218,970**	141,262
Attributable to:			
— Owners of the Company		**213,635**	135,722
— Non-controlling interests		**5,335**	5,540
		218,970	141,262
Earnings per ordinary share	*8*		
— basic *(HK cents)*		**1.8 cents**	1.2 cents
— diluted *(HK cents)*		**1.6 cents**	1.2 cents
Dividends	*9*	**42,809**	30,384

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	HK$'000	*HK$'000*
Comprehensive income		
Profit for the year	**218,970**	141,262
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency translation differences	**(21,092)**	18,653
Total comprehensive income for the year	**197,878**	159,915
Attributable to:		
— Owners of the Company	**193,146**	153,777
— Non-controlling interests	**4,732**	6,138
Total comprehensive income for the year	**197,878**	159,915

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Note	31 December 2014 HK$'000	31 December 2013 HK$'000
ASSETS			
Non-current assets			
Land use rights		**50,286**	48,098
Property, plant and equipment		**2,583,654**	2,250,548
Investments accounted for using the equity method		**56,513**	45,781
Trade and other receivables	*10*	**42,090**	—
Deferred income tax assets		**—**	8,924
		2,732,543	2,353,351
Current assets			
Inventories		**53,716**	49,344
Trade and other receivables	*10*	**572,490**	594,117
Amounts due from immediate holding company		**—**	1,368
Restricted cash		**21,605**	6,368
Cash and cash equivalents		**463,236**	685,086
		1,111,047	1,336,283
Assets held for sale		**144,965**	157,695
		1,256,012	1,493,978
Total Assets		**3,988,555**	3,847,329
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital			
— Ordinary shares		**93,931**	59,955
— Convertible preference shares		**70,512**	170,000
— Redeemable preferences shares		**430,000**	430,000
Share premium	*11*	**110,514**	1,141
Other reserves	*11*	**(79,084)**	(56,574)
Retained earnings		**428,413**	243,141
		1,054,286	847,663
Non-controlling interests		**29,164**	24,432
Total equity		**1,083,450**	872,095

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Note	31 December 2014 HK$'000	31 December 2013 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**846,633**	1,496,829
Derivative financial instruments		**91,935**	149,206
		938,568	1,646,035
Current liabilities			
Trade and other payables	12	**947,887**	1,005,629
Amounts due to immediate holding company		**5,557**	—
Current income tax liabilities		**55,855**	58,564
Borrowings		**957,238**	265,006
		1,966,537	1,329,199
Total liabilities		**2,905,105**	2,975,234
Total equity and liabilities		**3,988,555**	3,847,329
Net current (liabilities)/assets		**(710,525)**	164,779
Total assets less current liabilities		**2,022,018**	2,518,130

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to Owners of the Company						
	Share capital	Share premium (Note 11)	Other reserves (Note 11)	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2013	659,928	424,737	111,523	(503,470)	692,718	18,294	711,012
Comprehensive income							
Profit for the year	—	—	—	135,722	135,722	5,540	141,262
Other comprehensive income							
Currency translation differences	—	—	18,055	—	18,055	598	18,653
Total comprehensive income for the year	—	—	18,055	135,722	153,777	6,138	159,915
Ordinary shares issued for exercising of conversion rights	27	1,141	—	—	1,168	—	1,168
Set-off and elimination the accumulated losses	—	(424,737)	(184,709)	609,446	—	—	—
Forfeiture of employee share options	—	—	(1,443)	1,443	—	—	—
Total transfers with owners, recognised directly in equity	27	(423,596)	(186,152)	610,889	1,168	—	1,168
Balance at 31 December 2013	659,955	1,141	(56,574)	243,141	847,663	24,432	872,095
Balance at 1 January 2014	659,955	1,141	(56,574)	243,141	847,663	24,432	872,095
Comprehensive income							
Profit for the year	—	—	—	213,635	213,635	5,335	218,970
Other comprehensive income							
Currency translation differences	—	—	(20,489)	—	(20,489)	(603)	(21,092)
Total comprehensive income for the year	—	—	(20,489)	213,635	193,146	4,732	197,878
Ordinary shares issued for exercising of conversion rights – convertible bonds	813	43,048	—	—	43,861	—	43,861
Ordinary shares issued for exercising of conversion rights – convertible preference shares	(66,325)	66,325	—	—	—	—	—
Forfeiture of employee share options	—	—	(2,021)	2,021	—	—	—
Dividends relating to 2013	—	—	—	(30,384)	(30,384)	—	(30,384)
Total transfers with owners, recognised directly in equity	(65,512)	109,373	(2,021)	(28,363)	13,477	—	13,477
Balance at 31 December 2014	594,443	110,514	(79,084)	428,413	1,054,286	29,164	1,083,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL INFORMATION

Binhai Investment Company Limited (the "Company") was incorporated in Bermuda on 8 October 1999, with its principal place of business at Suites 3205-07, 32/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries are hereafter together referred to as the Group.

For purpose of these financial statements, the directors regard Tianjin TEDA Investment Holdings Co., Ltd. ("TEDA") as being the ultimate holding company.

Up to 10 February 2014, the Company's ordinary shares were listed on the Growth Enterprise Market Board ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange"). On 28 November 2013, an application was made by the Company to the Stock Exchange for the transfer of listing of its ordinary shares from GEM to the Main Board. The approval was granted by the Stock Exchange on 30 January 2014 for its ordinary shares to be listed on the Main Board and de-listed from GEM effective 11 February 2014.

These financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Going concern

As at 31 December 2014, current liabilities of the Group exceeded current assets by HK$ 711 million. The Group's ability to continue as a going concern depends on the financial resources presently available to the Group. Taking into account the expected financial performance, net cash to be generated from operations of the Group and the financial support from ultimate holding company, the directors of the Company are of the opinion that the Group is able to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

Amendment to HKAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

Amendments to HKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Amendment to HKAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the group financial statements as a result.

HK (IFRIC) 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

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

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

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. SEGMENT INFORMATION

The Group currently organises its operations into four reportable operating segments. The principal activities of the reportable segments are as follows:

On-site gas sales	—	Wholesale of liquefied petroleum gas ("LPG") to individual agents directly from the suppliers' depots
Bottled gas sales	—	Sales of bottled gas
Piped gas sales	—	Sales of piped gas through the Group's pipeline networks
Connection service	—	Construction of gas pipelines and installation of appliances to connect customers to the Group's pipeline networks under connection contracts

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The chief operating decision makers of the Group have been identified as the executive directors of the Company (the "Executive Directors").

The Executive Directors assess the performance of the operating segments based on segment results. Segment results are measured as gross profit of each segment.

Amounts of segment assets and liabilities of the Group are not reviewed by the Executive Directors or otherwise regularly provided to the Executive Directors.

All of the Group's revenue is generated in the PRC (place of domicile of the Group entities that derive revenue). Save for Tianjin Pipe Group Corporation ("Tianjin Pipe"), a related party of the Group which contributed sales of 23% of the total revenue of the Group (Year ended 31 December 2013: 16%), there was no other individual customer of the Group which contributed sales of over 10% of the Group's total revenue for the year ended 31 December 2014.

	Year ended 31 December 2014				
	On-site gas sales	**Bottled gas sales**	**Piped gas sales**	**Connection services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue					
— Tianjin TEDA Tsinlien Gas Co., Ltd. ("TEDA Gas"), Tianjin Pipe and its associates	**—**	**—**	**684,089**	**—**	**684,089**
— Other customers	**135,915**	**20,360**	**1,144,034**	**558,839**	**1,859,148**
Revenue from external customers	**135,915**	**20,360**	**1,828,123**	**558,839**	**2,543,237**
Segment results	**(1,194)**	**2,600**	**85,863**	**377,814**	**465,083**
— Administrative expenses					**(162,419)**
— Other income and gains — net					**127,774**
— Finance expenses — net					**(131,230)**
— Share of profit of investments accounted for using the equity method					**505**
Profit before income tax					**299,713**
Other information for reportable segments:					
Depreciation	**(1,480)**	**(119)**	**(69,739)**	**(1,041)**	**(72,379)**
Amortisation	**(50)**	**(7)**	**(667)**	**(204)**	**(928)**

	Year ended 31 December 2013				
	On-site gas sales	Bottled gas sales	Piped gas sales	Connection services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
—TEDA Gas, Tianjin Pipe and its associates	—	—	532,723	—	532,723
— Other customers	275,929	18,575	866,859	535,047	1,696,410
Revenue from external customers	275,929	18,575	1,399,582	535,047	2,229,133
Segment results	1,541	1,438	110,670	345,650	459,299
— Administrative expenses					(167,508)
— Other losses — net					(11,002)
— Finance expenses — net					(67,223)
— Share of loss of investments accounted for using the equity method					(33)
Profit before income tax					213,533
Other information for reportable segments:					
Depreciation	(1,141)	(132)	(59,021)	(975)	(61,269)
Amortisation	(144)	(10)	(733)	(280)	(1,167)

4. OTHER INCOME AND GAINS/(LOSSES) – NET

	Year ended 31 December 2014 *HK$'000*	Year ended 31 December 2013 *HK$'000*
Other income		
Assembling service	**5,279**	3,388
Compensation	**3,396**	—
	8,675	3,388
Other gains or losses — net:		
Commission on asset disposal entrustment in respect of certain former subsidiaries	—	18,909
Gain/(loss) on disposal of property, plant and equipment and land use rights	**34,581**	(208)
Reversal of impairment of property, plant and equipment	**42,801**	7,586
Gain on liquidation of subsidiaries	**4,104**	1,098
Fair value gain/(loss) on derivative financial instruments — net	**36,153**	(44,106)
Others	**1,460**	2,331
	119,099	(14,390)
	127,774	(11,002)

5. EXPENSES BY NATURE

	Year ended 31 December 2014 *HK$'000*	Year ended 31 December 2013 *HK$'000*
Cost of gas purchased	**1,739,913**	1,432,958
Changes in inventories	**(1,360)**	(1,181)
Cost of pipeline materials	**88,051**	60,151
Subcontractor and other costs	**84,148**	122,484
Employee benefit expense	**148,778**	146,936
Depreciation		
— Cost of sales	**67,641**	57,205
— Administrative expenses	**4,738**	4,064
Operating lease rental	**12,271**	10,615
Provision of impairment of trade and other receivables	**16,890**	12,731
Reversal of impairment of trade and other receivables	**(11,306)**	(13,083)
Amortisation	**928**	1,167
Auditor's remuneration — as audit service	**3,603**	3,593
Other professional fees	**4,275**	14,921
Others	**82,003**	84,781
Total cost of sales and administrative expenses	**2,240,573**	1,937,342

6. FINANCE INCOME AND EXPENSES

	Year ended 31 December 2014	Year ended 31 December 2013
	HK\$'000	*HK\$'000*
Interest on bank borrowings wholly repayable within 5 years	**73,209**	65,682
Interest on RMB bonds wholly repayable within 5 years	**45,357**	45,042
Interest expense on convertible bonds	**30,116**	11,600
Other borrowing costs	**1,777**	545
Net foreign exchange losses/(gains) on financing activities	**22,923**	(16,832)
Finance expenses	**173,382**	106,037
Less: Amounts capitalised as part of the cost of property, plant and equipment *(Note)*	**(38,743)**	(28,667)
Total finance expenses	**134,639**	77,370
Finance income	**(3,409)**	(10,147)
Net finance expenses	**131,230**	67,223

Note:

Amount included finance costs from general borrowings capitalised at a rate of 7.84% (Year ended 31 December 2013: 7.01%).

7. INCOME TAX EXPENSES

The Hong Kong profit tax of HK$89,133 was provided for the year ended 31 December 2014 (year ended 31 December 2013: Nil).

Subsidiaries established in the PRC are subject to the PRC enterprise income tax ("EIT") at the rate of 25% (year ended 31 December 2013: 25%).

	Year ended 31 December 2014	Year ended 31 December 2013
	HK$'000	*HK$'000*
Current tax:		
Current tax on profits for the year	**71,920**	72,271
Deferred tax:		
Utilisation of deferred tax assets recognised on previously tax losses	**8,823**	—
Income tax expenses	**80,743**	72,271

Note:

The tax on the profit before income tax of the Group differs from the theoretical amount that would arise using the statutory enterprise income tax rate applicable to profits of the consolidated entities as follows:

	Year ended 31 December 2014	Year ended 31 December 2013
	HK$'000	*HK$'000*
Profit before income tax	**299,713**	213,533
Tax calculated at the respective applicable tax rates	**84,038**	59,782
Expenses not deductible for taxation purposes	**1,322**	11,089
Tax losses for which no deferred income tax asset was recognised	**6,881**	14,843
Income not subject to tax	**(9,298)**	(12,657)
Utilisation of previously unrecognised tax losses	**(2,200)**	(786)
Tax charge	**80,743**	72,271

8. EARNINGS PER SHARE

(a) Basic

The calculation of the basic earnings per share is based on the following data:

	Year ended 31 December 2014	Year ended 31 December 2013
Earnings		
Profit attributable to owners of the Company *(HK$'000)*	**213,635**	135,722
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note)*	**11,733,020,635**	11,659,627,161

Note:

On 17 February 2014, conversion rights in respect of the convertible bonds in the principal amount of HK$30,000,000 were exercised, pursuant to which 81,300,813 new ordinary shares were issued.

In the year of 2014, conversion rights in respect of the convertible preference shares in the principal amount of HK$99,487,805 were exercised, pursuant to which 3,316,260,166 new ordinary shares were issued.

The calculation has taken into account the 2,350,406,500 new ordinary shares to be issued upon the conversion of the remaining HK$ 70,512,195 convertible preference shares as these preference shares will be automatically converted into ordinary shares of the Company by the tenth anniversary of issue.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense and fair value of derivative component less the tax effect, where applicable. The exercise of share options would have no material dilutive effect to earnings per share.

	Year ended 31 December 2014 *HK$'000*	Year ended 31 December 2013 *HK$'000*
Earnings		
Profit attributable to the owners of the Company	**213,635**	135,722
Interest expense on convertible bond (net of tax) *(Note)*	**30,116**	11,569
Fair value (gain)/loss on derivative component of convertible bonds *(Note)*	**(41,252)**	53,488
Profit used to determine diluted earnings per share	**202,499**	200,779
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**11,733,020,635**	11,659,627,161
Adjustments for assumed conversion of convertible bonds *(Note)*	**766,566,433**	341,842,076
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**12,499,587,068**	12,001,469,237

Note:

The impact of conversion of convertible bonds on earnings per share is anti-dilutive for the year ended 31 December 2013, and as such diluted earnings per share equaled to basic earnings per share in 2013.

9. DIVIDENDS

Final dividend in respect of the year ended 31 December 2013 of HK$0.005 per ordinary share, amounting to HK$30,384,114.20 was paid in 2014. A dividend in respect of the year ended 31 December 2014 in the total amount of HK$42,808,800 is proposed by the Directors on 30 March 2015. This proposed dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. These financial statements do not reflect this dividend payable.

The amount of the dividend per ordinary share of the Company shall depend on the total number of issued ordinary shares as at the date of the forthcoming annual general meeting. For illustration purpose only, the following indicates the amount of the dividend per ordinary share that may be determined under various scenarios:

Total number of issued ordinary shares	**Amount of dividend per ordinary share**
9,393,083,004 (as at the date of this announcement)	HK$ 0.00455
11,743,489,503 (assuming all outstanding convertible preference shares of the Company are converted into ordinary shares)	HK$ 0.00364
12,499,587,063 (assuming all outstanding convertible bonds of the Company are also converted into ordinary shares)	HK$ 0.00342
12,561,587,063 (assuming all outstanding options granted by the Company to subscribe for ordinary shares are also exercised)	HK$ 0.00340

The actual amount of the dividend per ordinary share will be determined on the date of the forthcoming annual general meeting and will be announced by the Company.

10. TRADE AND OTHER RECEIVABLES

	31 December 2014 *HK$'000*	31 December 2013 *HK$'000*
Trade receivables	**339,981**	310,957
Less: Provision for impairment of trade receivables	**(51,370)**	(48,923)
	288,611	262,034
Notes receivables	**56,394**	91,520
	345,005	353,554
Advances to suppliers	**193,340**	195,657
Less: Provision for impairment	**(82,398)**	(82,666)
	110,942	112,991
Prepayments and other receivables	**51,936**	56,436
Less: Provision for impairment	**(8,453)**	(8,220)
	43,483	48,216
Receivables from related parties	**115,150**	79,356
	614,580	594,117
Less: Non-current portion: long term prepayment	**(42,090)**	—
Current portion	**572,490**	594,117

Note:

The Group credit sales are generally on a credit term of three months to a year. Aging analysis of the trade receivables is as follows:

	31 December 2014 *HK$'000*	31 December 2013 *HK$'000*
0 — 90 days	**181,137**	173,383
91 — 180 days	**19,755**	31,079
181 — 360 days	**41,236**	32,166
Over 360 days	**97,853**	74,329
	339,981	310,957
Less: Provision for impairment of trade receivables	**(51,370)**	(48,923)
	288,611	262,034

The aging analysis of the trade receivables that are past due but not considered impaired is as follows:

	31 December 2014	31 December 2013
	HK$'000	*HK$'000*
91 — 180 days	**268**	2,727
181 — 360 days	**221**	2,866
Over 360 days	**48,732**	26,352
	49,221	31,945

11. OTHER RESERVES AND SHARE PREMIUM

	Contributed surplus	**Exchange reserve**	**Statutory reserves**	**Employee share option reserves**	**Others**	**Total**	**Share premium**
	(Note (i))	*(Note (ii))*	*(Note (iii))*		*(Note (iv))*		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Group							
Balance at 1 January 2013	28,800	(82,032)	2,561	21,363	140,831	111,523	424,737
Currency translation differences	—	18,055	—	—	—	18,055	—
Set-off and elimination of the accumulated losses *(Note (iv))*	(24,709)	—	—	—	(160,000)	(184,709)	(424,737)
Forfeiture of employee share options	—	—	—	(1,443)	—	(1,443)	—
Issuance of shares on conversion of convertible bonds	—	—	—	—	—	—	1,141
Balance at 31 December 2013	4,091	(63,977)	2,561	19,920	(19,169)	(56,574)	1,141
Currency translation differences	—	(20,489)	—	—	—	(20,489)	—
Ordinary shares issued for exercising of conversion rights – convertible bonds	—	—	—	—	—	—	43,048
Ordinary shares issued for exercising of conversion rights – convertible preference shares	—	—	—	—	—	—	66,325
Forfeiture of employee share options	—	—	—	(2,021)	—	(2,021)	—
Balance at 31 December 2014	4,091	(84,466)	2,561	17,899	(19,169)	(79,084)	110,514

Note:

(i) Contributed surplus of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group's reorganization on 26 February 2000 in preparation for the listing of the Company's shares on Stock Exchange and the nominal value of the Company's shares issued in exchange therefore.

(ii) The exchange reserve arose upon translation of the consolidated financial statements from the functional to the presentation currency.

(iii) In accordance with the relevant PRC regulations, the subsidiaries of the Company established in the PRC are required to transfer a certain percentage (as determined by the Board of Directors of each of the subsidiaries) of their profits after tax (as determined in accordance with PRC generally accepted accounting principles), if any, to the statutory reserves. The statutory reserves can be used to offset accumulated losses or to increase capital upon approval by their respective Board of Directors. The statutory reserves are not distributable unless the respective subsidiaries in the PRC are dissolved.

(iv) A special general meeting of the shareholders was held on 8 November 2013. The shareholders resolved to set-off and eliminate the accumulated losses of the Company in the amount of HK$628,193,531 with the amount of HK$424,737,296 standing to the credit of the share premium account as at 31 December 2012 from HK$424,737,296 to nil, the amount of HK$43,456,235 standing to the credit of the contributed surplus account as at 31 December 2012 from HK$47,547,866 to HK$4,091,631 and the amount of HK$160,000,000 from the item "others" standing to the credit of the other reserves account as at 31 December 2012 from HK$160,000,000 to nil. This would streamline the accounts of the Company and enable the Company to achieve a capital structure that would permit and facilitate the payment of dividends, as and when the directors consider it appropriate.

12. TRADE AND OTHER PAYABLES

	31 December 2014	31 December 2013
	HK$'000	*HK$'000*
Trade payables	**312,099**	340,372
Advance from customers	**106,699**	105,987
Other payables	**500,199**	509,422
Accrued expenses	**28,354**	41,939
Amounts due to related parties	**536**	7,909
	947,887	1,005,629

Note:

At 31 December 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	31 December 2014 *HK$'000*	31 December 2013 *HK$'000*
0 — 90 days	**109,763**	123,454
91 — 180 days	**31,827**	73,753
181 — 360 days	**43,381**	34,618
Over 360 days	**127,128**	108,547
	312,099	340,372

PERFORMANCE REVIEW

In 2014, as affected by the downturn of the real estate market, destocking difficulties in the manufacturing industry and the increase in the liabilities of regional governments, the Chinese economy continued to slow down. The expansion of the natural gas industry in China also considerably slowed down in view of the excess crude oil inventories around the globe and the consistently high US dollar index. As reported in the "Report on 2014 Domestic and International Oil and Gas Industry Development", the apparent consumption of natural gas in 2014 was approximately 183 billion cubic meters, representing an increase of only 8.9% which was the lowest growth rate in the past 10 years. However, as the Chinese government has taken a variety of measures to regulate air pollution, and that the regimes of non-domestic stock gas price and incremental gas price have reformed and merged, there is still enormous development potential in the natural gas industry. During the year, as the Group continued to maintain its dedication to the continuous development of its natural gas business, the Group has achieved rapid growth of business for the sixth consecutive year.

2014 was a crucial year during which the Group seized every opportunity, through strenuous efforts, to lay a more solid foundation for the realization of faster development. Major steps taken by the Group included:

- The vigorous expansion of business areas with huge development potential, including Ninghe Economic Development Area, Baodi Urban Area, Wuqing District, Harbor Bonded Zone and Huaming Industrial Park, etc. As the supply of natural gas gradually reaches in Lingang Industry Zone, sales volume of natural gas is expected to substantially increase.

- The focus on development projects outside of Tianjin. In particular, the rapid development of subsidiaries outside Tianjin, such as Yizheng, Zhuozhou, Gao'an, enhanced the Company's competitive advantage of regional diversity;

- The heavy investment in gas pipeline connection and piped gas sales in recent years. As the projects enter into the harvest period in 2015, these investments will help optimize the Company's financial performance and enhance future performance; and

- The declaration of a final dividend of HK$0.005 per ordinary share for the first time on 19 March 2014, expanding the means for shareholders' return.

FINAL DIVIDEND

The Board has recommended a final dividend for the year ended 31 December 2014 (the year ended 31 December 2013: HK$30,384,114.20) of HK$42,808,800.

The amount of the dividend per ordinary share of the Company, to which shareholders of the Company whose names appear on the register of holders of ordinary shares of the Company as at the record date for such dividend (to be further announced) will become entitled, shall depend on the total number of issued ordinary shares as at the date of the forthcoming annual general meeting of the Company to be held on 13 May 2015 (the "AGM"). For illustration purpose only, the following indicate the amount of the dividend per ordinary share that may be determined under various scenarios:

Total number of issued ordinary shares	**Amount of dividend per ordinary share**
9,393,083,004 (as at the date of this announcement)	HK$ 0.00455
11,743,489,503 (assuming all outstanding convertible preference shares of the Company have been converted into ordinary shares)	HK$ 0.00364
12,499,587,063 (assuming all outstanding convertible bonds of the Company have also been converted into ordinary shares)	HK$ 0.00342
12,561,587,063 (assuming all outstanding options granted by the Company to subscribe for ordinary shares have also been exercised)	HK$ 0.00340

The actual amount of the dividend per ordinary share will be determined on the date of the AGM and will be announced by the Company.

The Company is proposing a share consolidation of every 10 ordinary shares of par value HK$0.01 each into one ordinary share of par value HK$0.10 each which is subject to approval by its shareholders. Subject to the share consolidation being approved by the shareholders of the Company at the AGM and taking effect, the abovementioned final dividend per ordinary share will be adjusted by multiplying the amount by ten times. Further details of the share consolidation proposal of the Company are set out in a separate announcement dated 30 March 2015.

The dates of closure of register of members of the Company for the purpose of determining the identity of the holders of ordinary shares entitled to receive the final dividend, the record date and the payment date of the final dividend will be announced later.

BUSINESS REVIEW

The Group is principally engaged in the construction of gas pipeline networks, provision of connection services and the sale of liquefied petroleum gas ("LPG") and piped gas.

Connection Services

The Group constructs gas pipelines for its clients and connects such pipelines to the Group's main gas pipeline networks. The Group then charges connection service fees from industrial and commercial customers, property developers and property management agents. As at 31 December 2014, the aggregate length of all of the gas pipeline networks owned by the Group was approximately 1,790 kilometers, representing an increase of 127 kilometers from the length of 1,663 kilometers as at 31 December 2013. In the year ended 31 December 2014, connection service fees received by the Group amounted to approximately HK$558,839,000, representing an increase of HK$23,792,000 or 4% compared to the HK$535,047,000 service fees received in the year ended 31 December 2013.

Piped Gas Sales

In the year ended 31 December 2014, consumption of piped gas by domestic and industrial users amounted to approximately $2{,}418\text{x}10^{6}$ and $14{,}853\text{x}10^{6}$ mega-joules respectively, as compared to $2{,}144\text{x}10^{6}$ and $12{,}712\text{x}10^{6}$ mega-joules respectively for the year ended 31 December 2013. During the year, sales income of the Group from piped gas amounted to HK$1,828,123,000, representing an increase of HK$428,541,000 or 31% compared to the amount of HK$1,399,582,000 recorded in the year ended 31 December 2013.

Property Development

In view of the incompatibility of real estate business with the Group's current strategic direction which focuses on the development of the gas business, and the impact of the control policy of the PRC on real estate businesses, the Group plans to dispose of its property under development.

FINANCIAL REVIEW

Gross Profit Margin

Gross profit of the Group for the year ended 31 December 2014 was HK$465 million (for the year ended 31 December 2013: HK$459 million) and the gross profit margin for the Group was 18% (for the year ended 31 December 2013: 21%). The decrease in gross profit margin was mainly due to the change in revenue structure of the Group and the impact of the domestic gas price reform which led to a lower gross profit margin of piped gas. In the year ended 31 December 2014, the sale of piped gas (which usually yields a lower gross profit) amounted to HK$1,828,123,000, representing a remarkable increase of 31% compared with the year ended 31 December 2013. The gross profit margin of piped gas was 5% for the year 2014, dropped by 41% year on year. As the Company has more incremental gas, so the price reform policy before 1 September 2014 led to a decline of the Company's gross margin, while the price reform policy after 1 September 2014 will be benefit to the Company.

Administrative Expenses

Administrative expenses of the Group for the year ended 31 December 2014 was HK$162 million, representing a decrease of HK$6 million or 4% compared to HK$168 million for the year ended 31 December 2013. Management expenses decreased as the Group controlled its expenses.

Profit Attributable to Owners of the Company

Profit attributable to equity owners of the Company for the year ended 31 December 2014 was approximately HK$214 million, as compared to HK$136 million for the year ended 31 December 2013.

Basic earnings per share for the year ended 31 December 2014 was HK1.8 cents, as compared to HK1.2 cents for the year ended 31 December 2013.

Liquidity and Financial Resources

As at 31 December 2014, the total borrowings of the Group amounted to HK$1,803,871,000 (as at 31 December 2013: HK$1,761,835,000) and the cash and bank deposits of the Group amounted to HK$484,841,000 (as at 31 December 2013: HK$691,454,000), which included cash and cash equivalents of HK$463,236,000 and restricted cash of HK$21,605,000. As at 31 December 2014, the Group had consolidated current assets of HK$1,256,012,000 and its current ratio was approximately 0.64. As at 31 December 2014, the Group had a gearing ratio of approximately 166%, measured by the ratio of total consolidated borrowings of HK$1,803,871,000 to consolidated total equity of HK$1,083,450,000.

Borrowings Structure

As at 31 December 2014, the total borrowings of the Group amounted to HK$1,803,871,000 (as at 31 December 2013: HK$1,761,835,000). Borrowings of HK$775,000,000 from syndicated banks in Hong Kong were secured by certain interests in the Group's subsidiaries and bore interest at a floating rate. Unsecured borrowings from PRC banks were denominated in RMB, also bearing interest at a floating rate. Unsecured bonds of RMB500,000,000 were issued at 100 per cent of the issue price, bearing interest at a rate of 6.50 per cent. The outstanding Convertible Bonds of HK$279,000,000 were issued at an issue price of 100 per cent. and unsecured, bearing interest at a rate of 1.00 per cent. As at 31 December 2014, short-term borrowings and the current portions of long-term borrowings amounted to HK$957,238,000, with the remainder of the long-term borrowings falling due after one year or more.

Directors' Opinion on Sufficiency of Working Capital

As at 31 December 2014, the current liabilities of the Group exceeded its current assets by HK$711 million. The Group's ability to continue as a going concern depends on the financial resources presently available to the Group. Taking into account the expected financial performance, net cash expected to be generated from the operation of the Group and the financial support from TEDA, the Directors believe that the Group is able to fully meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Exposure to Exchange Rate Fluctuations

The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of the respective group entities. Part of the bank deposits and bank borrowings of the Group are denominated in HK Dollars and US Dollars which expose the Group to certain foreign currency risks. The Group does not currently have a foreign currency hedging policy. However, the management has been monitoring foreign exchange risks and will consider hedging significant foreign currency exposure should the need arises.

Interest Rate Swap Contract

For the year ended 31 December 2014, the Group recognised a fair value loss of HK$5,099,000 on derivative financial instrument (as compared with a profit of HK$9,381,000 in the year ended 31 December 2013. The loss was primarily attributable to the rise in the fair value of an interest rate swap contract entered into by the Group (the "Swap Contract"), which was affected by the global economic instability during the year. In order to minimize the risk of rising interest rates and control borrowing costs, the Group entered into the Swap Contract with Standard Chartered Bank London with an aggregate notional amount of HK$571,635,500 to control future interest charges. The Swap Contract provided for deferred settlement became effective on 30 September 2013 and will mature on 30 September 2018 ("Maturity Day"). According to the Swap Contract, the Group is subject to a fixed interest rate of 2.25% and receives interests at a floating rate with reference to the Hong Kong Interbank Offered Rate published from time to time by the Hong Kong Association of Banks. Prior to the Maturity Day, any changes in the fair value of the Swap Contract will not have a significant impact on the Group's cash flow. Market interest rates are currently at their historical lows. The fair value of the Swap Contract will adjust according to economic situation and interest rate levels. The Group believes that such arrangements are advantageous to the Group in the long run.

Gain on fair value change in conversion option of the Convertible Bonds

The change in the fair value of the conversion option from 31 December 2013 to 31 December 2014 resulted in a fair value gain of HK$41 million, which has been recorded in the consolidated income statement for the year ended 31 December 2014.

Charge on the Group's Assets

As at 31 December 2014, the Group had restricted cash of HK$21,605,000 (as at 31 December 2013: HK$6,368,000).

On 30 June 2014, the Group entered into a 3-year borrowing facilities of HK$930,000,000 with Hong Kong syndicate banks. On 26 August 2014, the agreed amount of the facilities was adjusted to HK$775,000,000. The borrowings were secured by interests in certain of the Group's subsidiaries and guarantee given by the Company.

Save as disclosed above, there were no charges on any of the Group's assets as at 31 December 2014.

The Issue of Convertible Bonds

On 25 July 2013, the Company announced the issue of 1.0% Convertible Bonds for the amount of HK$310,000,000 due to mature in 2016 (the "Convertible Bonds"). The Convertible Bonds are convertible under the circumstances set out in their terms and conditions into Ordinary Shares at an initial conversion price of HK$0.3690 per Ordinary Share (subject to adjustments). Assuming full conversion of the Convertible Bonds at the initial conversion price, the Convertible Bonds will be convertible into 840,108,401 Ordinary Shares (the "Conversion Shares"), representing approximately 14.01% of the issued ordinary share capital of the Company as at the date of issue of the Convertible Bonds. The Conversion Shares will be fully-paid and rank pari passu in all respects with the Ordinary Shares then in issue on the relevant conversion date.

None of the Convertible Bonds were placed with connected persons of the Company. The net proceeds from the issue of the Convertible Bonds had been used by the Group for the payment of pipeline construction payables, the repayment of current borrowings and for working capital purposes.

The issue of the Convertible Bonds by the Company to the subscribers at an aggregate principal amount of HK$310,000,000 was completed on 5 August 2013.

As at 31 December 2014, Convertible Bonds in the principal amount of HK$31,000,000 (as at 31 December 2013: HK$1,000,000) had been converted into 84,010,840 (as at 31 December 2013: 2,710,027) Ordinary Shares at a conversion price of HK$0.3690 per Ordinary Share.

Loan Agreements with Covenants relating to Specific Performance by the Controlling Shareholder

On 30 June 2014, Binhai Investment Hong Kong Limited, a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor entered into a credit facility agreement (the "Facility Agreement") with Hong Kong syndicated ("Lenders") for a loan facility in the aggregate amount of HK$930,000,000 for a term of three years. On 26 August 2014, the facilities were adjusted to HK$775,000,000. Loan funds are used for refinancing the existing loans borrowed in previous years. Pursuant to the terms of the Facility Agreement, if Tianjin TEDA Investment Holding Co., Ltd ("TEDA") ceases to be the single largest Shareholder (whether directly or indirectly), the facility commitments of the Lenders under the Facility Agreement may be cancelled and all outstanding loans and accrued interests may be declared to be immediately due and payable. TEDA currently through Teda Hong Kong Property Company Limited ("TEDA HK") holds approximately 56.47% of the total issued ordinary share capital of the Company.

Contingent Liabilities

As at 31 December 2014, the Group did not have any significant contingent liabilities.

Prospects

Looking to the year 2015, in light of the air pollution regulation and energy conservation policies adopted by the PRC government, the general direction of optimizing energy structure will remain unchanged. The low penetration rate of gas consumption in the PRC at present also provides sufficient room for consumption increase in the future. Moreover, the adjustment of gas price at gas stations may be determined using the net market value, which will favor the marketization of the pricing mechanism and increase transparency within the industry. The Group is confident that the gas industry in the PRC will face better development opportunities.

All staff members of the Group will resolutely fulfill the Group's various assessment criteria which aim to lay a solid foundation for the long-term development of the Company. With proper decisions of the Board, leadership of the senior management team, as well as the support from the shareholders and business partners, the Group will continue to make new and outstanding achievements.

In 2015, the major targets of the Group include the followings:

1. To seize the development opportunities of the gas industry in the PRC, leverage the opportunities of the integration of Beijing, Tianjin and Hebei and strengthen the Company's geographical advantage;

2. To actively and carefully research on the broadening of purchasing channels at gas sources, pay attention to and appropriately promote gas utilization projects;

3. To maintain focus on substantive growth of the Group, supplemented by the strategy of mergers and acquisitions;

4. To continually to expand the development of industrial users in order to increase market share, ensure the transmission capacity of pipeline network so as to support the development in the field of CNG filling stations;

5. To pay close attention to the gas import and price reform policies in the PRC, explore and connect with competitive gas sources, further reduce the cost of gas purchase, and promote the Group's gas price guidance work;

6. To further enhance cooperation with the shareholders, investors, government authorities, creditors and other stakeholders to realize a win-win situation for all parties.

EMPLOYEES

As at 31 December 2014, the Group had 1,487 employees (as at 31 December 2013: 1,463 employees). For the year ended 31 December 2014, the salaries and wages of the employees amounted to HK$105 million (year ended 31 December 2013: HK$108 million).

REMUNERATION POLICY

The remuneration of the employees of the Group is determined by reference to the market rates, and the performance, qualification and experience of the relevant staff. Also, a discretionary bonus based on individual performance during the year is distributed to reward the contributions of employees to the Group. The Group also provides training opportunity and other benefits to its employees, including pension insurance, unemployment insurance, injury insurance, medical insurance, maternity insurance and housing fund, etc.

TRANSFER OF LISTING FROM GEM TO THE MAIN BOARD

The ordinary shares of the Company ceased to be traded on the Growth Enterprise Market and became traded on the Main Board of The Stock Exchange of Hong Kong Limited since 11 February 2014.

CORPORATE GOVERNANCE PRACTICES

The Board assumes overall responsibility for the leadership and control of the Group, including provision and formulation of the Group's business directions and strategies in the interests of the Group. The Board believes that good corporate governance practices would strengthen investors' confidence, facilitate the development of the Group, and increase transparency in the operation of the Group, which is in the long term interest of the Group and the Shareholders. During the year ended 31 December 2014, the Company had fully complied with the code provisions set out in Appendix 14 ("Corporate Governance Code and Corporate Governance Report") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in accordance with Rule 3.21 of the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely Mr. LAU Siu Ki, Kevin (chairman), Professor Japhet Sebastian LAW, Mr. TSE Tak Yin and Mr. IP Shing Hing, J.P. Mr. LAU Siu Ki, Kevin and Mr. TSE Tak Yin are qualified accountants.

The Audit Committee has reviewed the consolidated financial results of the Group for the year ended 31 December 2014 and has provided advice and comments thereon.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Appendix 10 of the Listing Rules. Trading of securities by Directors shall be approved by the chairman of the Board and shall be entered into in accordance with the time frame and the number of securities approved.

All Directors have confirmed, following specific enquiries by the Company that they complied with the required standard of dealings as set out in Appendix 10 of the Listing Rules by Directors throughout the year ended 31 December 2014.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

ISSUANCE OF ANNUAL REPORT

The Annual Report for the year ended 31 December 2014 will be published and dispatched to the shareholders of the Company on or before 30 April 2015.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accounts and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

By order of the Board
Binhai Investment Company Limited
Gao Liang
Executive Director

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. ZHANG Bing Jun and Mr. GAO Liang, six non-executive Directors, namely, Mr. SHEN Xiao Lin, Mr. ZHANG Jun, Mr. WANG Gang, Ms. ZHU Wen Fang, Mr LI Wei and Ms. SHI Jing and four independent non-executive Directors, namely, Mr. IP Shing Hing, J.P., Professor Japhet Sebastian LAW, Mr. TSE Tak Yin and Mr. LAU Siu Ki, Kevin.