中國天然氣集團有限公司

CHINA LNG GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

ANNUAL REPORT 2015

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kan Che Kin, Billy Albert *(Chairman)*
Mr. Chen Li Bo *(Deputy Chairman)*
(appointed on 9 January 2015)
Ms. Li Shu Han, Eleanor Stella
Mr. Li Kai Yien, Arthur Albert

Non-Executive Directors

Mr. Simon Murray
(ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)
Dr. Lam, Lee G.
(ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)

Independent Non-Executive Directors

Mr. Li Siu Yui
Mr. Ip Woon Lai
Mr. Lam Lum Lee
(appointed on 26 May 2015)

AUDIT COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Lam Lum Lee
(appointed on 26 May 2015)

REMUNERATION COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Kan Che Kin, Billy Albert

NOMINATION COMMITTEE

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Kan Che Kin, Billy Albert

JOINT COMPANY SECRETARY

Mr. Au Yeung Ho Yin
(appointed on 30 March 2016)
Ms. Ha Cheuk Man

INDEPENDENT AUDITORS

PKF

AUTHORISED REPRESENTATIVES

Mr. Au Yeung Ho Yin
(appointed on 30 March 2016)
Ms. Ha Cheuk Man

PRINCIPAL BANKERS

Hang Seng Bank Limited
China Construction Bank (Asia)

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F, St. John's Building
33 Garden Road
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR

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

WEBSITE

chinalng.todayir.com

STOCK CODE

931

Chairman's Statement

"EVERYONE IS DESIRED TO SEE THE SUCCESS OF OUR LNG BUSINESS BECAUSE WHAT WE ARE DOING IS FOR THE SIGNIFICANT IMPROVEMENT OF THE ENVIRONMENT AND HEALTH OF OUR FELLOW COUNTRYMEN"

Dear Shareholders,

On behalf of the board of directors (the "Board") of China LNG Group Limited (the "Company"), I am pleased to announce the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015.

2015 was a significant year for the Group to diversify its business into the liquefied natural gas ("LNG") business. The Group is dedicated to promoting the use of LNG in the People's Republic of China (the "PRC"). The Group intends to develop into an integrated LNG company with a focus on midstream and downstream LNG operations that offers innovative and diversified clean energy solution in the PRC. The Group adopts a demand driven strategy targeting LNG end-users. The Group strives to ensure that it provides comprehensive services in every segment of the LNG supply chain and caters to every need of LNG end-users. In May 2015, the Group commenced its finance leasing business of LNG vehicles. To drive demand of LNG vehicle usage, the Group ensures to provide finance leasing to customers for replacement of LNG vehicles at an affordable cost.

Adopting the same business model of finance leasing of LNG vehicles, the Group has also planned to invest in finance leasing of LNG vessels. The Group has entered into nine strategic cooperation agreements with shipbuilding manufacturers and a finance lease master agreement in September 2015 in relation to the provision of finance leasing services for LNG vessels. The Group will continue to take an active role in providing finance leasing services to shipbuilding manufacturers.

The Group adopts a demand driven strategy and aims to position itself as a full service LNG solution provider for users of transport vehicles and shipping vessels. By providing attractive finance leasing solutions for users of LNG transport vehicles and shipping vessels, coupled with arrangements in refuelling stations, the Group helps its customers gain access to a low cost as well as clean and efficient fuel source. Focusing on enhancing end user experience, the Group also developed the "Environmental Vehicle Club", allowing its customers to enjoy various financial benefits and the "Green Vehicle System", an intelligent vehicle management system designed to monitor the status of the vehicles on a real time basis and provide a comprehensive solution for transportation vehicles on the road and inland river.

Apart from providing finance leasing services on LNG vehicles and LNG vessels, the Group also expanded its finance leasing business for LNG storage equipment.

To complement the use of LNG vehicles, the Group plans to collaborate with sizeable leading oil and gas operators to construct LNG refuelling stations to meet the LNG refuelling demand of buses, construction and municipal vehicles in cities in the PRC.

On 23 November 2015, the Group received the approval from CNOOC Gas & Power Group Co., Limited (中海石油氣電集團有限責任公司) ("CNOOC Gas & Power Group"), pursuant to which the Group has agreed to purchase 40% equity interests in each of CNOOC (Shanghai) Traffic New Energy Co., Limited (中海油(上海)交通新能源有限公司) ("CNOOC Shanghai Ltd") and CNOCC (Bengbu) Traffic New Energy Co., Limited (中海油蚌埠交通新能源有限公司) ("CNOOC Bengbu Ltd"). CNOOC Shanghai Ltd and CNOOC Bengbu Ltd are principally engaged in the sales and distribution of LNG and oil products. The acquisitions will enable the Group to expand its refuelling stations network.

With a view to optimizing our business portfolio as well as diversifying revenue streams, the Group continues to explore suitable investment opportunities from time to time in order to engage in new segments of LNG business with sustainable growth and return. Therefore, we have great confidence in prospects of our LNG business.

RESULTS

The global economic downturn and the decline in global oil prices led to reduction in demand for the energy consumption and the adjustment of natural gas price. The Chinese government implemented a series of principles and policies to promote development and utilisation of new clean energies, in particular, LNG that will be the long term driving force of the development of the Group. As an environmentally and globally responsible company, the Group will continue to promote clean energy by encouraging LNG usage.

Chairman's Statement

The Group continued to maintain a substantial growth during the year in face of both opportunities and challenges. Turnover and profit attributable to shareholders for the year reached HK$1,022.1 million and HK$401.1 million respectively, representing an increase of 126.5% and an increase of 36.6% respectively over last year. Earnings per share increased by 29.1% to HK0.71 cents. In light of the Company's more solid profit base, the Board recommended a final dividend of HK0.1 cent per share, payable to shareholders registered in the register of shareholders on 6 June 2016 to express its appreciation for their support. The total amount of dividend was approximately HK$56.3 million, representing an increase of 25% compared with last year.

During 2015, the Group entered into several finance lease arrangements with logistic and finance leasing companies in the PRC for 1,405 heavy duty LNG vehicles including tractors and trailers, with the leasing principal amount of HK$257.9 million.

INTERNATIONAL AWARDS

With outstanding performance growth, the Company has been awarded as one of the "Best Under a Billion" companies listed in the July issue of Forbes Asia 2015 and the only one being awarded the "The Fastest Growing Company" on 2 November 2015. The Company will continue to deliver satisfactory results to its investors and shareholders.

PROSPECTS

The Group is very optimistic about the development of LNG market in the PRC. According to the PRC's 12th Five-Year Plan of Natural Gas Development (2011-2015) (the "12th Five-Year Plan") and "One Belt and One Road Policy", the Chinese government intends to, among other initiatives, enhance the supply of natural gas and implement additional regulations and programs encouraging the use of natural gas. The Chinese government has set an ambitious goal of increasing the share of natural gas in the national energy consumption mix from its current 4% to 10% by 2020. In April 2014, according to the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) ("NDRC") Opinions regarding Steady Supply of Natural Gas (《關於建立保障天然氣穩定供應長效機制的若干意見》), China's natural gas supply capacity will reach 400 billion m^3 by 2020, and is striving to achieve 420 billion m^3. It is believed that the demand for natural gas in China will rapidly increase in line with economic development, population growth, industrialization and the urbanisation process. The targeted levels will have to be met by a combination of conventional domestic natural gas production and LNG.

The Chinese government plans to accelerate the implementation of National Phase 5 standards of Vehicle Emission Pollution Control and Supervision for gasoline vehicles in several major cities and regions by 1 January 2017 that will give rise to the demand for replacing gasoline vehicles by LNG vehicles. The major cities and regions will include Beijing, Tianjin, Hebei province and cities in the Pearl River and Yangtze River deltas. Many truck and bus fleet operators have started converting their vehicles to use natural gas fuels, following the Chinese government's implementation of the National Phase 4 standards of Vehicle Emission Pollution Control and Supervision in 2011/2012. China's National Phase 5 emission standards are broadly equivalent to the Euro 5 emission standards and limit the maximum sulfur content in gasoline and diesel at 10 ppm, while China's National Phase 4 emission standards cap the sulfur content in both products at 50 ppm. Under China's National Phase 3 emission standards, the sulfur content of gasoline and diesel are capped at 150 ppm and 350 ppm, respectively.

Chairman's Statement

At the Paris Climate Submit 2015, China announced its aims to peak the carbon dioxide emissions by around 2030 and slash emissions of carbon dioxide per unit of the GDP by 60-65 percent. China intended to increase non-fossil fuel sources in primary energy consumption to about 20 percent and peak its carbon emissions. After the Paris Climate Submit 2015, the Chinese government expressed strong determination to ease air pollution caused by industrialization and oil use. The use of green energy is a major direction and the natural gas industry will be able to leverage extensive developmental opportunities in the near future.

The Group will maintain its focus on the development of finance leasing business which is a key to create larger user groups and demands for the supply of LNG and the number of LNG refuelling stations across the PRC. Striving to meet the needs of customers, the Group offers customized and optimized finance leasing solution at competitive terms for customers to capture the market share. In 2016, the Group will continue to expand its customer base by approaching national express and logistics companies and shipbuilding companies for finance leasing of LNG vehicles and vessels.

As part of the Group's development of the midstream LNG business, we are currently seeking to invest in the construction and/or to acquire LNG refuelling stations, floating barges and shore-based refuelling stations to meet the LNG gas refuelling demand of our lessees and other new users of LNG throughout the PRC.

Our developing commercial vehicle platform services through the Group's Environmental Green Club, provides commercial vehicle users with long distance IT control, insurance handling and purchase/sale of their new/used LNG/diesel vehicles. In addition, we intend to develop an online network platform connecting LNG vehicles and vessels and LNG e-commence platform and trading systems.

The Company aims at promoting the use of LNG in cooperation with the green energy strategy of the PRC. The Company will continue to make investment through understanding and support of local governments of the PRC and people from different backgrounds. Apart from the fact that the prospect of our LNG business in the PRC is exceptionally brilliant and bright that will be profitable for our shareholders, we shall share the responsibility to help recreate a white cloud and blue sky for our next generation in the PRC.

ACKNOWLEDGEMENT

I would like to thank our dedicated management team and employees for their contributions that enable the Group to achieve the strategic transformation and sustainable growth. At the same time, I want to express my sincere gratitude to our partners, customers and in particular, our shareholders, for their continuous support and trust in the Group's progress. We will work hard as always to generate better returns for our shareholders and other interested parties.

Kan Che Kin, Billy Albert
Chairman

Hong Kong, 30 March 2016

Management Discussion and Analysis

BUSINESS REVIEW

LNG

The Group's LNG business mainly focuses on the Beijing, Tianjin, Hebei, the Yangtze River Delta and the Pearl River Delta regions, where air and water pollution are most serious among the regions in the PRC and demand for usage of clean energy is high. The Group has set up seven branch offices in Shanghai, Tianjin, Nanjing, Shenzhen, Linyi, Wuhan and Ningbo in 2015.

The Group provides tailored financial packages to the finance leasing customers. Under its finance leasing services, the Group provides:

- Lower contractual threshold compared to domestic commercial banks with more favourable financing conditions compared to its competitors such as only requiring lower portion of down payment based on the value of leased asset.

- Competitive offer with favourable interest rates and simplified application procedures.

- Value added services including Green Vehicle System to be installed on vehicles which is a real-time, 24-7 system monitoring system.

The Group currently provides two types of finance leasing to LNG vehicles in the market:

- the lessees sold their vehicles to the Group and leased back the vehicles;

- the Group purchased new LNG vehicles or equipment from third party manufacturers or distributors of its choice or of the lessees' choice and leased back the vehicles or equipment to the lessees;

From growing the finance leasing LNG business for heavy vehicles on the road and vessels on the Yangtze River/Delta River and equipment for industrial use throughout the PRC, the Group will then join forces with big oil companies to provide or to construct LNG refuelling stations to meet the LNG gas refuelling demand of the lessees.

The Group entered into a joint venture agreement with Huaqiang Natural Gas Development Group Limited (華強天然氣集團有限公司) in relation to the formation of the joint venture company in the PRC to be principally engaged in the development and operation of oil-to-gas conversion and LNG refuelling facilities on floating barges, development of LNG related technologies, operation of LNG refuelling stations and trading of gas ignition equipment.

Since 2014, the Group has entered into several negotiation and strategic cooperation agreements with local government, private and public companies in the PRC with respect to promotion of LNG application and development of LNG business in the PRC.

Trading of securities

The Group conducts its trading of Hong Kong securities business through Key Fit Group Limited ("Key Fit") which has maintained a good and stable return for many years.

On 18 May 2015, the Company and several purchasers entered into a sale and purchase agreement whereby the Company agreed to dispose a portion of the issued share capital of Key Fit, which was a wholly-owned subsidiary of the Group. The proceeds from such disposal was intended to be used for the development of the Group's LNG business, future potential investments and general working capital of the Group. On 10 December 2015, the Group completed the disposal of an aggregate of 277,054,799 shares of Key Fit, representing approximately 39.58% of the issued share capital of HK$700 million of Key Fit, for an aggregate consideration of HK$809.0 million, generated a gain on disposal of HK$409.6 million.

Financial services

The Group has commenced its financial services operation through its money lending business under the Money Lenders Ordinance in Hong Kong during the year ended 31 December 2015.

As at 31 December 2015, all of the loans granted by the money lending business of the Group are secured loans.

For the year ended 31 December 2015, all the loans granted under the money lending business of the Group were funded by internal resources.

Property investment

As at 31 December 2015, the Group holds two residential properties located in Central Mid-levels (the "Central Property") and Repulse Bay (the "Repulse Bay Property") (collectively, the "Properties"). For the year ended 31 December 2015, the Central Property was leased out, while the Repulse Bay Property remained vacant. On 10 April 2015, the Group disposed of its property in Kwu Tung for a total consideration of HK$27.5 million and generated a gain on disposal of HK$5.9 million. The Group will continue to seek for tenants of the vacant property in Repulse Bay and may consider selling the vacant property subject to favourable offers.

Management Discussion and Analysis

FINANCIAL REVIEW

Turnover and revenue

Turnover increased by 126.5% or HK$570.8 million from HK$451.3 million for the year ended 31 December 2014 to HK$1,022.1 million for the year ended 31 December 2015. Revenue decreased by 91.4% or HK$327.1 million from HK$357.9 million for the year ended 31 December 2014 to HK$30.8 million for the year ended 31 December 2015.

Revenue derived from provision of finance leasing services for LNG vehicles, vessels and equipment was HK$4.4 million for the year ended 31 December 2015 while no such revenue was recognised in 2014 because the Group has only commenced the business in the second half of 2015.

Turnover (gross) derived from trading of securities increased by 124.6% or HK$561.2 million from HK$450.4 million for the year ended 31 December 2014 to HK$1,011.6 million for the year ended 31 December 2015. Revenue, representing net gain/loss from trading of securities, decreased by 94.3% or HK$336.8 million from HK$357.1 million for the year ended 31 December 2014 to HK$20.3 million for the year ended 31 December 2015 because of recognition of a one-off net bargain purchase gain of HK$350.6 million on disposal of shares and convertible bonds of Fullshare, the shares of which are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2014.

Revenue derived from investment properties remained stable at HK$0.8 million for the years ended 31 December 2015 and 2014.

Based on the independent valuation of the Properties, the aggregate values of the Properties remain unchanged for the year ended 31 December 2015 as compared with 31 December 2014. The rental income derived from the Central Property for the years ended 31 December 2015 and 2014 remains unchanged. The Repulse Bay Property remained vacant during the year 2015.

Revenue derived from the financial services through provision of money lending business was HK$5.3 million for the year ended 31 December 2015 while no such revenue was recognised in 2014 because the Group has commenced the business in the second half of 2015.

Other income

Other income increased by more than 282 times or HK$423.0 million from HK$1.5 million for the year ended 31 December 2014 to HK$424.5 million for the year ended 31 December 2015. It was mainly due to the gain on disposal of interest in Key Fit, the increase in exchange gain from USD to Renminbi and the increase in bank interest income.

Selling and distribution expenses

Selling and distribution expenses were HK$8.9 million for the year ended 31 December 2015 while no such expenses were recognised for the year ended 31 December 2014 because of the newly commencement and development of the LNG businesses in the PRC during the year 2015.

Administrative expenses

Administrative expenses increased by 360.2% or HK$35.3 million from HK$9.8 million for the year ended 31 December 2014 to HK$45.1 million for the year ended 31 December 2015 because of the significant increase in salaries and employee benefit expenses, office rental expenses and travelling expenses for administrative and managerial staff from the commencement of the LNG businesses in the PRC during the year 2015.

Income tax expense

Income tax expense decreased from HK$57.7 million for the year ended 31 December 2014 to HK$0.6 million for the year ended 31 December 2015, as there was no more one-off net bargain purchase gain on disposal of shares and convertible bonds of Fullshare for the year ended 31 December 2014.

Profit attributable to equity shareholders of the Company

Profit attributable to equity shareholder of the Company increased by 36.6% or HK$107.4 million from HK$293.7 million for the year ended 31 December 2014 to HK$401.1 million for the year ended 31 December 2015.

LIQUIDITY, FINANCIAL RESOURCES AND FINANCIAL RATIO

The Group had total cash and bank balances of HK$170.0 million as at 31 December 2015 (31 December 2014: HK$246.2 million). There was no borrowing as at 31 December 2015 and 31 December 2014. Therefore, no gearing ratio of the Group as at 31 December 2015 and 31 December 2014 was calculated. Net assets (including non-controlling interests) were HK$847.9 million as at 31 December 2015 (31 December 2014: HK$492.3 million). The Group recorded total current asset value of HK$386.4 million as at 31 December 2015 (31 December 2014: HK$460.4 million) and total current liability value of HK$274.5 million as at 31 December 2015 (31 December 2014: HK$56.8 million). The current ratio of the Group, calculated by dividing the total current asset value by the total current liability value, was 1.4 as at 31 December 2015 (31 December 2014: 8.1). The current ratio continues to maintain at a healthy condition.

Currently, the Group's operating and capital expenditures are financed by cash generated from operation, internal liquidity and fund advanced from the controlling shareholder. The Group has sufficient sources of funds and approved banking facilities to meet the future capital expenditure and working capital requirements.

On 20 August 2015, the Group entered into a strategic cooperation agreement with China Construction Bank Company Limited Shanghai Branch ("China Construction Bank Shanghai") in relation to provision of integrated financial services for a term of three years. Integrated services provided by China Construction Bank Shanghai under the agreement include but not limited to the provision of up to RMB5 billion equivalent of integrated facility which currently remains undrawn, co-brand credit card services, financial advisory service, settlement services, assets management services and personal financial services to the Group. The Issuer believes that the cooperation will ensure a stable provision of integrated financial services to the Group for our LNG businesses in the PRC.

The Group also believes that internal resources and credit lines from large PRC commercial banks would be able to satisfy the funding needs in 2016 for its finance leasing business and the start-up capital expenditure for its infrastructure investments.

RISK MANAGEMENT

Our principal financial instruments include finance lease receivables and cash and cash equivalents. The main purpose of these financial instruments is to support our finance leasing business. We also have various financial assets and financial liabilities arising from our business operations. The principal risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. We intend to achieve an appropriate balance between these risks and the investment returns so as to minimise the potential adverse impact on our business and financial condition.

Foreign currency

Transactions of the Group were mainly denominated in Hong Kong dollars, Renminbi and United States dollars. In view of the stability of the exchange rate between these currencies, the directors of the Company did not consider that the Group was significantly exposed to foreign exchange risk for the year. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement, if necessary. During the year ended 31 December 2015 and 2014, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

Credit risk

The Group's credit exposure generally arises from counterparty risk in the course of providing finance leasing services for LNG vehicles, vessels and equipment and money lending business. We implement our risk management system according to our plan based on our industry research, understanding of the customer's operations and financial condition. We believe that all of these are able to strengthen our control and management of our credit risk.

Late payment risk – in the event of late payment, we are entitled to charge interest at the default rate on the overdue amount until the same shall be paid. Such interest will accrue on a day-to-day basis. In addition, we may request a security deposit which we may apply towards the payment or discharge of any obligation owned by the lessee for the finance leasing business.

We manage, limit and monitor concentration of credit risk wherever they are identified, in particular to assess the lessee's and the borrower's repayment ability periodically for the finance leasing and money lending business.

As to impairment and allowance policies, we assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. No impairment allowance was made for our finance lease receivables and financial assets of our Group as at 31 December 2015.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or time with regard to the maturity of financial assets and liabilities. Our Group manages its liquidity risk through regularly monitoring with the following objectives: maintaining the stability of the Group's principal business, timely monitoring cash and bank position, projecting cash flows and evaluating the level of current assets to ensure liquidity of the Group.

TREASURY POLICIES

Bank balance and cash held by the Group were denominated in Hong Kong dollars, Renminbi and United States dollars. The Group currently does not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign currency and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

PLEDGE OF ASSETS

The Group had no pledged assets as at 31 December 2015 and 31 December 2014.

SIGNIFICANT INVESTMENT

During the year, the Group has purchased financial asset at fair value through profit or loss of approximately HK$71.6 million (equivalent to RMB60 million) (the "Investment") which is an unlisted investment in bonds and debenture in the PRC from China Construction Bank (the "Bank"). The Investment carries interest at expected interest rate of 2.2% to 4.2% per annum, depending on the market price of the underlying money market instruments and debt instruments invested by the Bank, payable on redemption. The product is non-principal guaranteed. The Group has the right to redeem the investment at any time and receive the redemption price based on the rate of return as announced by the Bank when redeem. The Investment was fully redeemed in cash in January 2016.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

On 18 May 2015, the Company and several purchasers entered into a sale and purchase agreement whereby the Company agreed to dispose a portion of the issued share capital of Key Fit. The proceeds from such disposal was intended to be used for the development of the Group's LNG business, future potential investments and general working capital of the Group. On 10 December 2015, the Group completed the disposal of an aggregate of 277,054,799 shares of Key Fit, representing approximately 39.58% of the issued share capital of HK$700 million of Key Fit, for an aggregate consideration of HK$809.0 million.

SEGMENTAL INFORMATION

Details of segmental information for the year ended 31 December 2015 are set out in note 7 to the consolidated financial statements.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2015 and 31 December 2014.

STAFF AND REMUNERATION POLICIES

Human resources are our greatest assets. The Group always regards the personal development of our employees as highly important. The Group believes to maintain employees' passion and enthusiasm as the Key to its continued success and future development. Therefore, the Group has always placed its emphasis on the importance to talent cultivation and recruitment. The Group invests in regular training and other development courses for employees to enhance their technical and product knowledge as well as management skills.

As at 31 December 2015, the Group had 78 employees (31 December 2014: 17 employees). The Group's total staff costs amounted to approximately HK$23.9 million (31 December 2014: HK$2.2 million) for the year ended 31 December 2015. The Group offers competitive remuneration packages to our employees. The Group remunerated its employees mainly based on the industry practice, individual's performance and experience. Apart from the basic remuneration, discretionary bonus and share options may be granted to eligible employees by reference to the Group's performance as well as individual's performance.

AUDIT COMMITTEE

The principal responsibilities of the audit committee of the Company (the "Audit Committee") include the review and supervision of the Group's financial reporting process, risk management and internal control. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2015 and was of the opinion that the audited consolidated financial statements of the Group have been properly prepared in accordance with the statutory requirements and applicable accounting standards.

The Audit Committee currently comprises three independent non-executive directors (the "INEDs") of the Company, namely Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lam Lum Lee.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kan Che Kin, Billy Albert ("Mr. Kan")

Mr. Kan, aged 63, was appointed as an executive Director, the chairman and the chief executive officer of the Company in May 2013. Mr. Kan graduated from the University of East Anglia with a Bachelor of Science degree. Mr. Kan is an associate member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and a fellow of the Hong Kong Securities Institute. Mr. Kan had worked with Deloitte Touche Tohmatsu and KPMG and is equipped with extensive experience in accounting, taxation and corporate finance. Mr. Kan is currently the Vice President of the Trade and Logistics Branch of the China General Chamber of Commerce. In addition, Mr. Kan has over 30 years of experience in serving on the board of directors of financial institutions and listed companies in Hong Kong, including Security Pacific Credit Hong Kong Limited (a subsidiary of Security Pacific National Bank, taken over by Bank of America then by China Construction Bank), Burlingame International Company Limited (now renamed as EverChina Int'l Holdings Company Limited) (stock code: 202) and Warderly International Holdings Limited (now renamed as Fullshare Holdings Limited) (stock code: 607). Mr. Kan resigned as a director of EverChina Int'l Holdings Company Limited in September 2000 and of Fullshare Holdings Limited in December 2013. Mr. Kan is also a director of several wholly-owned subsidiaries of the Company. Ms. Li Shu Han, Eleanor Stella is a niece of Mr. Kan, Mr. Li Kai Yien, Arthur Albert is a nephew of Mr. Kan.

Mr. Chen Li Bo ("Mr. Chen")

Mr. Chen, aged 66, was appointed as an executive Director and the deputy chairman of the Company in January 2015. Mr. Chen graduated from China's Northeastern University of Finance (formerly the Liaoning Institute of Finance), worked for the China Construction Bank for over 15 years and was a vice president of the Pudong branch. Mr. Chen worked over 14 years for HKC (Holdings) Limited, whose predecessor is Kumagai Gumi (Hong Kong) Limited 熊谷組(香港)有限公司 and was their executive director, chief operating officer, deputy chairman and chief executive officer. Mr. Chen has served on the board of directors of two listed companies in Hong Kong, including HKC (Holdings) Limited (stock code: 190) and J.I.C. Technology Company Limited (now renamed as China Renewable Energy Investment Limited) (stock code: 987). He resigned as director of HKC (Holdings) Limited and China Renewable Energy Investment Limited in 2008. Mr. Chen has extensive experience in finance and corporate affairs in China.

Ms. Li Shu Han, Eleanor Stella ("Ms. Li")

Ms. Li, aged 46, was appointed as an executive Director in October 2007. She holds a Bachelor of Science Accounting degree from University of Southern California. Ms. Li was admitted as a member of American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants in 1995. She has extensive experience in accounting, corporate finance and corporate restructuring. Ms. Li is currently a director of Wealth Loyal Development Limited, a private company engaged in investment holding. Ms. Li is a niece of Mr. Kan and sister of Mr. Li Kai Yien, Arthur Albert.

Mr. Li Kai Yien, Arthur Albert ("Mr. Li")

Mr. Li, aged 43, was appointed as an executive Director in October 2007. Mr. Li graduated from University of Southern California with a Bachelor of Science degree in 1995. Mr. Li has been a Certified Public Accountant since 2001 and has more than 10 years' experience in accounting and securities dealing. Mr. Li is currently a dealer representative of Phillip Securities (HK) Ltd. Mr. Li is a nephew of Mr. Kan and brother of Ms. Li.

NON-EXECUTIVE DIRECTORS

Mr. Simon Murray ("Mr. Murray")

Mr. Murray, aged 76, was appointed as a non-executive Director in April 2015. Mr. Murray served as an independent non-executive Director from October 2014 to April 2015. Mr. Murray has been awarded the CBE (Commander of the British Empire) by H.M. The Queen, and the Order of Merit of the French Republic and is a "Chevalier de La Legion d'Honneur". He holds an Honorary Degree in law, from Bath University and attended the (SEP) Stanford Executive Programme in the United States.

Mr. Murray is currently the non-executive chairman of General Enterprise Management Services Limited (GEMS Ltd.), a private equity fund management company. He is a non-executive director of Greenheart Group Limited (Stock Code: 94) and IRC Limited (Stock Code: 1029), and independent non-executive director of Cheung Kong Property Holding Limited (Stock Code: 1113), Orient Overseas (International) Limited (Stock Code: 316), Wing Tai Properties Limited (Stock Code: 369) and Spring Asset Management Limited (Stock Code: 1426), the manager of Spring Real Estate Investment Trust, all of which are companies listed on the Stock Exchange. He is also a non-executive director of Compagnie Financière Richemont SA, a company listed in Switzerland.

He has been an independent non-executive director and vice chairman of Essar Energy Plc from April 2010 to May 2014, and the chairman and an independent non-executive director of Gulf Keystone Petroleum Ltd. from July 2013 to March 2015, both companies are listed in the United Kingdom. He was formerly an independent non-executive director of Hutchison Whampoa Limited (Stock Code:13), CK Hutchison (Holdings) Limited (with effect from 18 March 2015, Cheung Kong (Holdings) Limited became a wholly owned subsidiary of CK Hutchison Holdings Limited and its listing status was replaced by CK Hutchison (Stock Code: 0001)), Arnhold Holdings Limited (renamed to Summit Ascent Holdings Limited after his resignation on 24 March 2011) and a non-executive chairman of Glencore International Plc (renamed to Glencore Xstrata Plc)(Stock Code: 805), all are companies listed in Hong Kong. He was an independent director of Sino-Forest Corporation, previously listed in Canada and a non-executive director of Vodafone Group Plc, a company listed in the United Kingdom.

Dr. Lam, Lee G. ("Dr. Lam")

Dr. Lam, aged 56, was appointed as a non-executive Director in April 2015. Dr. Lam served as an independent non-executive Director from October 2014 to April 2015.

Dr. Lam holds a BSc in sciences and mathematics, an MSc in systems science and an MBA from the University of Ottawa in Canada, a post-graduate diploma in public administration from Carleton University in Canada, a post-graduate diploma in English and Hong Kong Law and an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in law from the University of Wolverhampton in the UK, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, an MPA and a PhD from the University of Hong Kong. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong and an Honorary Fellow of CPA Australia.

Dr. Lam has over 30 years of multinational general management, strategy consulting, corporate governance, investment banking, direct investment and investment fund management experience, and also serves on the board of directors, the investment committee and the advisory committee of a number of publicly-listed companies, investment funds and NGOs in the Asia Pacific region. Having served as a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region for two terms, a Member of the Legal Aid Services Council, a Member of the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, and as a Member of the New Business Committee of the Financial Services Development Council (FSDC), Dr. Lam is a Member of the Jilin Province Committee (and formerly a Specially-invited Member of the Zhejiang Province Committee) of the Chinese People's Political Consultative Conference, a Vice Chairman of Liaoning Chinese Overseas Friendship Association, a Member of the Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited (HKEx), a Member of UNESCAP Task Force on Banking and Finance, Honorary Chairman – Asia Pacific of CMA Australia, a Member of Sir Murray MacLehose Trust Fund Investment Advisory Committee, a Member of the Hong Kong Institute of Bankers, a Member of the World Presidents' Organization, a Member of the Chief Executives Organization, a Fellow of the Hong Kong Institute of Directors and the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Member of the Hong Kong – Thailand Business Council, a Founding Member of the Hong Kong – Korea Business Council, a Board Member of the Australian Chamber of Commerce in Hong Kong and Macau, a Founding Board Member and the Honorary Treasurer of the Hong Kong – Vietnam Chamber of Commerce, a Vice President of the Hong Kong Real Property Federation, Chairman of Monte Jade Science and Technology Association of Hong Kong and President of Hong Kong-ASEAN Economic Cooperation Foundation.

Dr. Lam is currently an independent non-executive director of CSI Properties Limited (Stock Code:497), Glorious Sun Enterprises Limited (Stock Code: 393), Mei Ah Entertainment Group Limited (Stock Code: 391), Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), Vongroup Limited (Stock Code: 318), Sino Resources Group Limited (Stock Code: 223), all of which are companies listed on the Stock Exchange. He is an independent/non-executive director of Rowsley Limited (Stock Code: A50), Asia-Pacific Strategic Investments Limited (Stock Code: 5RA) and Top Global Limited (Stock Code: 519), all of which are companies listed on the Stock Exchange of Singapore. He is also an independent/non-executive director of Sunwah International Limited (Stock Code: TSX SWH) (listed on the Toronto Stock Exchange), Vietnam Equity Holding (Stock Code: 3MS) and Vietnam Property Holding (Stock Code: 3MT) (both companies are listed on the Stuttgart Stock Exchange) and Coalbank Limited (Stock Code: ASX CBQ) (listed on the Australian Stock Exchange).

He has been an independent/non-executive director of Heng Fai Enterprises Limited (now renamed as ZH International Holdings Limited) (Stock Code:185) from July 2014 to July 2015, Imagi International Holdings Limited (Stock Code: 585) from May 2010 to January 2016, Mingyuan Medicare Development Company Limited (Stock Code: 233) from September 2014 to May 2015, UDL Holdings Limited (Stock Code: 620) from October 2015 to December 2015, Ruifeng Petroleum Chemical Holdings Limited (Stock Code: 8096) from July 2014 to March 2015, Hutchison Harbour Ring Limited (now renamed as China Oceanwide Holdings Limited) (Stock Code: 715) from September 2004 to December 2014, Far East Holdings International Limited (Stock Code: 36) from September 2004 to October 2014, China Communication Telecom Services Co., Ltd (Stock Code: 8206) from January 2013 to March 2014 and Wai Chun Mining Industry Group Co., Limited (Stock Code: 660) from January 2013 to May 2013, all companies are listed on the Stock Exchange. He was also as independent non-executive director of Next-Generation Satellite Communications Limited (Stock Code: B07) (listed on the Stock Exchange of Singapore) from January 2009 to August 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Siu Yui

Mr. Li Siu Yui, aged 45, was appointed as an independent non-executive Director in October 2007. He holds a Master's degree in Business Administration from University of Wales. He has over 10 years' experience in the area of investment. He was working in securities companies during the period from 1997 to 2002. Afterward, he has been engaged as an investment manager in two private companies.

Mr. Ip Woon Lai ("Mr. Ip")

Mr. Ip, aged 45, was appointed as an independent non-executive Director in October 2007. Mr. Ip holds a Bachelor of Commerce in Accounting and Finance degree from University of New South Wales and was admitted as a certified practicing accountant of the Australian Society of Certified Practicing Accountants in 1998. He began his professional career with Arthur Andersen & Co. in Hong Kong in 1994. Mr. Ip has extensive corporate finance and investment banking experience and had worked for various international investment banks including Warburg Dillon Read and ING Bank N.V.. He had also worked in Hysan Development Company Limited where he served as deputy head of corporate finance from 2005 to 2006. After that, Mr. Ip has been working in private equity industry in the Greater China region.

Mr. Lam Lum Lee ("Mr. Lam")

Mr. Lam, aged 70, was appointed as an independent non-executive Director in May 2015. Mr. Lam, is currently chairman of China Information Industry Association (中華信息產業聯合會) and chairman of China Culture & Education Foundation (中華文化教育基金會). He was a committee member of Hong Kong Vocational Training Council of Electronic and Telecommunication Division (香港職業訓練局通訊及電子委員會), the president of Hong Kong Critical Components Manufacturers Association (香港關鍵性零部件製造業協會), the vice chairman of Hong Kong Electronic Technology Association (香港電子科技商會), and a director of Hong Kong Optoelectronic Association (香港光電子協會).

SENIOR MANAGEMENT

Mr. Au Yeung Ho Yin ("Mr. Au Yeung")

Mr. Au Yeung, aged 32, was appointed as the joint company secretary of the Company in March 2016 and chief financial officer in August 2015. Mr. Au Yeung holds a Bachelor Degree in Business Management from University of Newcastle (formerly known as University of Newcastle upon Tyne). He was admitted as a graduate member of Hong Kong Institute of Chartered Secretaries in 2012 and a member of the Hong Kong Institute of Certified Public Accountants in 2010. He has extensive experience in financial management, auditing, taxation, and company secretarial matters.

Ms. Ha Cheuk Man ("Ms. Ha")

Ms. Ha, aged 35, was appointed as the joint company secretary of the Company in March 2016. Ms. Ha served as the company secretary of the Company from December 2013 to March 2016. Ms. Ha holds a Bachelor Degree of Business Administration (Hon) in Accounting from the Hong Kong Baptist University. She is a member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in the field of accounting, auditing, taxation and secretarial services.

Corporate Governance Report

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance. It believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standards of accountability and protect interests of shareholders of the Company and other stakeholders.

The Company has complied with the code provisions of the Corporate Governance Code during the year ended 31 December 2015 except for the following deviations:

1. Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate. The positions of chairman and chief executive officer of the Company have been held by Mr. Kan during the year. The Board believes that holding of both positions of chairman and chief executive officer by the same person allows more effective planning and execution of business strategies. The Board has full confidence in Mr. Kan and believes that his dual roles will be beneficial to the Group.

2. Under the Code Provisions A.4.1 and A.4.2, non-executive Director should be appointed for a specific term and each Director should be subject to retirement by rotation at least once every three years. The existing INEDs and non-executive Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association (the "Articles of Association") of the Company at least once every three years.

3. Under the Code Provision A.6.7, non-executive directors, including independent non-executive directors, should attend board, committee and general meetings. Two of the non-executive Directors, Mr. Murray and Dr. Lam were unable to attend the general meetings held on 21 May 2015 and 7 August 2015. Three of the INEDs, Mr. Ip was unable to attend the general meetings held on 21 May 2015 and 7 August 2015, Mr. Li Siu Yui was unable to attend the general meeting held on 7 August 2015 and Mr. Lee Kong Leong was unable to attend the general meeting held on 21 May 2015 during his appointment period as they had other business engagements. However, they subsequently requested the company secretary of the Company to report to them on the views of the Shareholders in the general meetings. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the non-executive Directors and INEDs was ensured.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). According to the Model Code A.3(a)(i) and B.8, a director must not deal in any securities of the listed issuer during the period of 60 days immediately preceding the publication date of the annual results and a director must not deal in any securities of the listed issuer without first notifying in writing the chairman or a director other than him and receiving a dated written acknowledgement.

Mr. Li Kai Yien, Arthur Albert ("Mr. Li"), an executive Director, has mistakenly purchased in total 800,000 Shares from the market during the prohibition period (from 29 January 2015 to 30 March 2015) on 9 March, 10 March and 11 March 2015 and has forgotten to first notifying in writing the Company's chairman or a designated director and has not obtained a written acknowledgement as set out in Rule B.8 of the Model Code. Subsequently, Mr. Li has disposed all 800,000 Shares at a loss through the market immediately on 11 March 2015 as soon as he discovered the mistake and notified the Company the above transactions and confirmed his breach of the Model Code. He undertook that he will comply with the required standards as set out in the Model Code in the future. Save as disclosed above, he does not have any record in breach of notification requirement for his dealings in the Company's shares since he became an executive Director on 10 October 2007.

The Company would like to address that the Company has maintained an effective system in monitoring the director's dealings (including a notification mechanism) to ensure compliance with the Model Code. In particular, the Company has notified all Directors the prohibition period on 27 January 2015. The Board is of the view that the guidelines and procedures for the director's dealings of shares in the Company are adequate and effective.

The Company does not have any record to keep track of the dealings by the Directors in a timely basis. It totally depends on whether the Directors take the initiative to ask for approval from the Company. In order to avoid similar incidents in the future, the Company reminded all the Directors at the Directors' meeting of the Company on 30 March 2015 the importance of complying with the Model Code in their dealings of the Company's shares and in submission of notifications. The Company will also emphasize and remind the Directors to avoid similar incidents in the prohibition period in the future. The Company also provides briefings to develop and refresh the Directors' knowledge and skills. The Company continuously updates Directors on the latest developments regarding the Model Code, to ensure compliance and enhance their awareness of good corporate government practices.

Save as disclosed above, the Company has made specific enquiry of all Directors, they have confirmed that they complied with the required standards as set out in the Model Code during the year ended 31 December 2015 and up to 30 March 2016.

BOARD OF DIRECTORS

The Board currently comprises nine Directors, with two non-executive Directors and three INEDs. The composition of the Board during the year is set out as follows:

Executive Directors

Mr. Kan Che Kin, Billy Albert *(Chairman)* (Note 1)
Mr. Chen Li Bo *(Deputy Chairman)* (appointed on 9 January 2015)
Mr. Li Kai Yien, Arthur Albert (Note 1)
Ms. Li Shu Han, Eleanor Stella (Note 1)

Non-Executive Directors

Mr. Simon Murray (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)
Dr. Lam, Lee G. (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)

Independent Non-Executive Directors

Mr. Li Siu Yui
Mr. Ip Woon Lai
Mr. Lam Lum Lee (appointed on 26 May 2015)
Mr. Lee Kong Leong (resigned on 26 May 2015)

Note 1 Ms. Li Shu Han, Eleanor Stella is the niece of Mr. Kan and sister of Mr. Li Kai Yien, Arthur Albert. Mr. Li Kai Yien, Arthur Albert is the nephew of Mr. Kan.

The Board is responsible for approving and monitoring the Group's strategies, policies and business plans, revaluating the performance of the Group and supervising the work of management. The management is responsible for the daily operations of the Group including the preparation of annual and interim accounts for Board approval before publication, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and ensuring compliance in accordance with the relevant statutory requirements and rules and regulations.

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules that requires every board of directors of a listed issuer must include at least three independent non-executive Directors and at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise.

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors. The Company has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers the INEDs are independent.

The INEDs are not appointed for specific terms but are subject to retirement by rotation and re-election in accordance with the Articles of Association at least once every three years.

Corporate Governance Report

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance duties including:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

The Directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings to develop and refresh the Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices. According to the training records provided to the Company by the individual Directors, the Directors have read journals, regulatory updates and/or attended external seminars and programmes with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2015.

The roles of the chairman and the chief executive officer were both held by Mr. Kan during the year. The Board believes that holding of both positions of chairman and chief executive officer by the same person allows more effective planning and execution of business strategies.

Two of the non-executive Directors, Mr. Murray and Dr. Lam were unable to attend the general meetings held on 21 May 2015 and 7 August 2015. Three of the INEDs, Mr. Ip was unable to attend the general meetings held on 21 May 2015 and 7 August 2015, Mr. Li Siu Yui was unable to attend the general meeting held on 7 August 2015 and Mr. Lee Kong Leong was unable to attend the general meeting held on 21 May 2015 during his appointment period as they had other business engagements. However, they subsequently requested the company secretary of the Company to report to them on the views of the Shareholders in the general meetings. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the non-executive Directors and INEDs was ensured.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") on 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of this policy together with the measureable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Board Diversity Policy

The Company recognises and embraces the benefits of having a diversed Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, experience, cultural and educational background, expertise, skills and know-how.

Monitoring and Reporting

The nomination committee of the Company (the "Nomination Committee") will review, as appropriate, to ensure the effectiveness of the Board Diversity Policy and monitor the implementation of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

A copy of the Board Diversity Policy has been published on the Stock Exchange's website for public information.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") consists of one executive Director and two independent non-executive Directors and its members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Kan Che Kin, Billy Albert

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies to all Directors and the senior management, to review and approve the management's proposals with reference to the Board's corporate goals and objectives, to determine the remuneration packages of individual executive Directors and senior management, including benefits-in-kind, pension rights and compensation payments, and to make recommendation to the Board on the remuneration of the non-executive Directors.

In developing remuneration policies and making recommendation as to the remuneration of the Directors and senior management, the Remuneration Committee takes into account the performance of the Group as well as individual Directors and senior management. The terms of reference of the remuneration committee, which described its authority and duties, are available on the Company's website.

No Directors can determine their own remuneration package. During the year, the Remuneration Committee held one meeting. Matters considered at the meeting included revision of the compensation payable to all Directors and senior management of the Group and recommendation to the Board on the Group's remuneration policy and structure.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2015 is set out below:

Remuneration bands	Number of persons
Nil to HK$1,000,000	15
HK$1,000,001 to HK$1,500,000	5

Directors' emoluments comprise payments to the Directors by the Group in connection with the management of the affairs of the Group and other benefits. Further particulars regarding directors' remuneration and the five highest paid employees are shown in note 9 to the consolidated financial statements.

AUDIT COMMITTEE

The Company's audit committee was formed to review and supervise the financial reporting process, risk management and internal control of the Company. The Audit Committee comprises solely the three INEDs and both Mr. Ip Woon Lai and Mr. Lee Kong Leong possess the appropriate professional qualifications, business and financial experience and skills. The Audit Committee members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Lam Lum Lee (appointed on 26 May 2015)
Mr. Lee Kong Leong (resigned on 26 May 2015)

The Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of risk management and internal control of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determine is necessary and to perform investigations.

The terms of reference of the audit committee, which described its authority and duties, are available on the Company's website.

During the year, the Audit Committee held three meetings. Matters considered at the meetings included revision of the Group's 2014 annual results, 2015 interim results, the fees for engaging the external auditors to provide the audit for the year 2014 and the interim review for the year 2015, the independence of the external auditors, the fees for non-audit services, the Company's financial control, internal control and risk management system, accounting and finance matters.

NOMINATION COMMITTEE

The Company has established the Nomination Committee in October 2007. The Nomination Committee consists of one executive Director and two independent non-executive Directors and its members during the year were:

Mr. Li Siu Yui *(Chairman)*
Mr. Ip Woon Lai
Mr. Kan Che Kin, Billy Albert

The Nomination Committee has established formal procedures for the appointments of new Directors and re-nomination and re-election of Directors. In nominating candidates for appointment of Directors, the Nomination Committee will consider their necessary expertise and experience. The Nomination Committee held one meeting during the year. Matters considered at the meeting included revision of the structure, size and composition of the Board, qualifications for all Directors and senior management of the Group and independence of the independent non-executive Directors.

The terms of reference of the nomination committee, which described its authority and duties, are available on the Company's website.

DIRECTORS' ATTENDANCE AT BOARD, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND AUDIT COMMITTEE MEETINGS AND GENERAL MEETINGS

	Attendance/Number of meetings held during the year					
Directors	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	Annual general meeting	Extraordinary general meeting
Executive Directors						
Mr. Kan Che Kin, Billy Albert *(Chairman)*	7/7	N/A	1/1	1/1	1/1	0/1
Mr. Chen Li Bo *(Deputy Chairman)* (appointed on 9 January 2015)	6/6 (during appointment period)	N/A	N/A	N/A	0/1 (during appointment period)	0/1 (during appointment period)
Ms. Li Shu Han, Eleanor Stella	7/7	N/A	N/A	N/A	0/1	0/1
Mr. Li Kai Yien, Arthur Albert	6/7	N/A	N/A	N/A	1/1	0/1
Non-Executive Directors						
Mr. Simon Murray (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)	4/5 (during appointment period)	N/A	N/A	N/A	0/1	0/1 (during appointment period)
Dr. Lam, Lee G. (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)	3/5 (during appointment period)	N/A	N/A	N/A	0/1	0/1 (during appointment period)
Independent Non-Executive Directors						
Mr. Simon Murray	1/2 (during appointment period)	N/A	N/A	N/A	0/0 (during appointment period)	0/0 (during appointment period)
Dr. Lam, Lee G.	2/2 (during appointment period)	N/A	N/A	N/A	0/0 (during appointment period)	0/0 (during appointment period)
Mr. Li Siu Yui	7/7	3/3	1/1	1/1	1/1	0/1
Mr. Ip Woon Lai	7/7	3/3	1/1	1/1	0/1	0/1
Mr. Lam Lum Lee (appointed on 26 May 2015)	4/4 (during appointment period)	2/2 (during appointment period)	N/A	N/A	0/0 (during appointment period)	1/1 (during appointment period
Mr. Lee Kong Leong (resigned on 26 May 2015)	0/3 (during appointment period)	0/1 (during appointment period)	N/A	N/A	0/1 (during appointment period)	0/0 (during appointment period)

AUDITOR'S REMUNERATION

The amount of auditor's remuneration for the year ended 31 December 2015 was HK$638,000. Messrs. PKF also provided non-audit services including taxation services to the Group of HK$43,500 for the year ended 31 December 2015. In considering the re-appointment of external auditors, the Audit Committee has taken into consideration their relationship with the Company and their independence in the provision of non-audit services. Based on the results of the review and after taking into account the opinion of the management of the Group, the Audit Committee recommended the Board to re-appoint Messrs. PKF as the external auditors of the Company for the year 2016, subject to approval by the Shareholders at the forthcoming annual general meeting to be held on 24 May 2016. There is no former partner of the existing firm auditing the accounts of the Company acting as a member of the Audit Committee within one year commencing on the date of his ceasing to be a partner of the firm. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered.

INTERNAL CONTROL

During the year, the Board through the Audit Committee, has conducted a review of the effectiveness of the system of internal control of the Group to ensure that a sound internal control system is maintained and operated by the management in compliance with the agreed procedures and standards. The review has covered all material aspects of internal control including financial, operational and compliance controls and risk management functions of the Group.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the audited consolidated financial statements of the Group for the year ended 31 December 2015. The Directors ensure that the audited consolidated financial statements of the Group for the year ended 31 December 2015 have been properly prepared in accordance with the statutory requirements and applicable accounting standards.

A report of the independent auditors of the Group is set out on page 30 of this annual report.

COMPANY SECRETARY

Mr. Au Yeung and Ms. Ha, are the joint company secretaries of the Company. Their biographies are set out in the section entitled "Biographical Details of Directors and Senior Management" in the annual report. The joint company secretaries are responsible for advising the board through the chairman and the chief executive on governance matters and report to the chairman and the chief executive. During the financial year, the joint company secretaries have duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

A Shareholders' communication policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. It will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkex.com.hk and the Company's website at chinalng.todayir.com;

(ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) corporate information and the Memorandum and Articles of Association of the Company are made available on the Company's website;

(iv) Annual general meeting and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management;

(v) the Company's share registrars' serves the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters;

(vi) Shareholders and the investment community may at any time make a request to the company secretary of the Company in writing for the Company's information to the extent such information is publicly available. The contacts details are set out in the "Company Information" section of the Company's website at chinalng.todayir.com; and

(vii) Publicly available news and information about the Company can also be sent to Shareholders who have subscribed to the service on the Company's website.

The Company's annual general meeting is a valuable forum for the Board to communicate directly with the Shareholders. Under Code Provision E.1.2, the chairman of the Board should attend the annual general meeting of the Company. The chairman of the Board had attended the AGM.

Mr. Li Siu Yui, the chairman of the Remuneration Committee, Audit Committee and Nomination Committee and the auditors of the Company had attended the AGM.

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Two of the non-executive Directors, Mr. Murray and Dr. Lam were unable to attend the general meetings held on 21 May 2015 and 7 August 2015. Three of the INEDs, Mr. Ip was unable to attend the general meetings held on 21 May 2015 and 7 August 2015, Mr. Li Siu Yui was unable to attend the general meeting held on 7 August 2015 and Mr. Lee Kong Leong was unable to attend the general meeting held on 21 May 2015 during his appointment period as they had other business engagements. However, they subsequently requested the company secretary of the Company to report to them on the views of the Shareholders in the general meetings. As such, the Board considers that the development of a balanced understanding of the views of Shareholders among the non-executive Directors and INEDs was ensured.

The notice to Shareholders is to be sent in the case of an annual general meeting and any extraordinary general meeting at which the passing of a special resolution is to be considered not less than 21 clear days before the meeting. All other extraordinary general meetings may be called by not less than 14 clear days' notice. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The chairman of the meeting answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, the Board shall, on the written requisition to the Board or the company secretary of the Company of the members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene an extraordinary general meeting of the Company for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

If the Board do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionist(s) shall convene the meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Putting forward Proposals at a General Meeting

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

Procedures for Proposing a Person for Election as a Director

Shareholders may by ordinary resolution elect any individual ("Candidate") to be a Director. Candidate for election is proposed by separate resolutions put forward for Shareholders' consideration at general meetings.

According to Article 88 of the Articles of Association, any member who wishes to propose a Candidate (other than the member himself/herself) for election as a Director should observe the following nomination procedures:

1. Prepare a signed notice of intention to propose a Candidate for election. The notice has to be signed by a member other than the Candidate being proposed.

2. Obtain a notice signed by the Candidate stating his willingness to be elected.

3. Both notices, completed in accordance with Rules 13.51(2) of the Listing Rules, are to be submitted to the head office or the registration office at least 7 days before the dispatch of the notice of such general meeting.

4. Should the notice of the general meeting appointed for such election has been sent out, the period for lodgement of such notices shall commence on the day after the dispatch of the notice of such general meeting and the last day to do so is 7 days before the date of such general meeting.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the company secretary of the Company whose contact details are set out in the "Company Information" section of the Company's website at chinalng.todayir.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

The Restated Memorandum of Association and Articles of Association

Upon the shareholders' approval by way of special resolution at the extraordinary general meeting on 7 August 2015, the Company has adopted the Restated Memorandum of Association and Articles of Association for the purpose of, among others, giving effect to the Share Subdivision.

The Board presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the principal activities of the Group are development of LNG businesses, provision of finance leasing services for LNG vehicles, vessels and equipment in the PRC as approved by Ministry of Foreign Trade and Economic Cooperation of the PRC, trading of securities, properties investments and financial services through provision of money lending business. The principal activities of its subsidiaries are set out in note 33 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 31 and 32 of this annual report.

The Directors have resolved to recommend the payment of a final dividend of HK0.1 cent (2014: HK0.04 cent) per share (the "Share") in cash distributed from the share premium account of the Company for the year ended 31 December 2015 to shareholders whose names appear on the register of members of the Company on 6 June 2016 and also to recommend the offer to the shareholders the right to elect as an alternative, to receive such final dividend wholly or partly by allotment of new Shares (the "Scrip Shares") credited as fully paid in lieu of cash ("Scrip Dividend Scheme"), subject to the approval of the shareholders on the payment of final dividend at the annual general meeting of the Company and the granting by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued pursuant thereto. The Company has not declared an interim dividend (2014: HK0.04 cent per share). The total dividend for the year will be HK0.1 cent (2014: HK0.08 cents) per share.

After payment of the final dividend, assuming the Shareholders wish to receive the final dividend in cash and there is no other changes to the share premium account, the Company's share premium account is expected to be reduced to approximately HK$427.5 million.

The register of members of the Company will be closed from 2 June 2016 to 6 June 2016, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 1 June 2016.

A circular containing details of the Scrip Dividend Scheme will be despatched to shareholders together with the form of election for the scrip dividend on or about 15 June 2016. It is expected that the certificates for the Scrip Shares and cheques for cash entitlements will be despatched to shareholders on or about 12 July 2016.

SHARE CAPITAL

Details of share capital of the Company are set out in note 25(a) to the consolidated financial statements.

RELATIONSHIP WITH INVESTORS AND THE PUBLIC

We strongly value the advices from investors that provide strong support to our business improvement. We believe effective communication and accurate information disclosure builds investor confidence, and also facilitates the flow of constructive feedback and ideas that are beneficial for our investor relations and future corporate development. Besides annual reports, interim reports and announcements, we facilitate our communication between shareholders by explaining financial and operational information through conference calls, press conference, meetings, roadshows and company visits.

Report of the Directors

ENVIRONMENTAL POLICIES

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We also encourage our customers to transform their vehicles or vessels from consuming diesel to LNG that emits 25% less carbon dioxide and 97% less carbon monoxide compared to diesel.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the PRC while the Company itself is listed on the Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong and the PRC. During the year ended 31 December 2015 and up to the date of this report, we have complied with all the relevant laws and regulations in Hong Kong and the PRC.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 81 of the annual report.

PROPERTIES

Particulars of the properties of the Group are shown on page 82 of the annual report.

INVESTMENT PROPERTIES AND PLANT AND EQUIPMENT

Details of movements in investment properties and plant and equipment of the Group during the year are set out in notes 14 and 15 to the consolidated financial statements respectively.

SHARE OPTION SCHEME

The Company has not adopted any share option scheme as at 31 December 2015.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year and up to the date of this report were:

Executive Directors:
Mr. Kan Che Kin, Billy Albert *(Chairman)*
Mr. Chen Li Bo *(Deputy Chairman)* (appointed on 9 January 2015)
Ms. Li Shu Han, Eleanor Stella
Mr. Li Kai Yien, Arthur Albert

Non-Executive Directors:
Mr. Simon Murray (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)
Dr. Lam, Lee G. (ceased to be an Independent Non-Executive Director and became a Non-Executive Director on 2 April 2015)

Independent Non-Executive Directors:
Mr. Li Siu Yui
Mr. Ip Woon Lai
Mr. Lam Lum Lee (appointed on 26 May 2015)
Mr. Lee Kong Leong (resigned on 26 May 2015)

In accordance with the provisions of the Company's articles of association, Ms. Li Shu Han, Eleanor Stella, Mr. Li Siu Yui and Mr. Lam will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The Company has not entered into any service agreement with the Directors.

Each of the independent non-executive Directors was appointed in accordance with the Articles of Association.

None of the Directors being proposed for re-election at the forthcoming AGM has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the three INEDs an annual confirmation for the year ended 31 December 2015 of his independence as required under Rule 3.13 of the Listing Rules and considers all the INEDs are independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO) or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Name of company in which interests were held	Nature of interests	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding
Mr. Kan	The Company	Beneficial owner	Long position	38,339,988,590 Shares	68.00%
	The Company	Beneficial owner	Short position	475,000,000 Shares	0.84%
Ms. Li Shu Han, Eleanor Stella	The Company	Beneficial owner	Long position	5,000,000 Shares	0.01%
Mr. Li Kai Yien, Arthur Albert	The Company	Beneficial owner	Long position	2,000,000 Shares	0.00%
Mr. Chen Li Bo	The Company	Beneficial owner	Long position	200,000,000 shares *(Note)*	0.35%
Mr. Simon Murray	The Company	Beneficial owner	Long position	50,000,000 shares *(Note)*	0.09%
Dr. Lam, Lee G.	The Company	Beneficial owner	Long position	100,000,000 shares *(Note)*	0.18%

Note:–

These Shares represent the option shares, which beneficially owned by Mr. Kan, were granted by Mr. Kan to Mr. Chen, Mr. Murray and Dr. Lam. upon the exercise in full of the rights pursuant to option deed agreements signed between Mr. Kan and each of Mr. Chen Li Bo, Mr. Murray and Dr. Lam.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2015.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, so far as was known to the Directors and chief executives of the Company, no other person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2015.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executives of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for securities of the Company or had exercised any such right.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as set out in note 30 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year, nor had there been any contract of significance entered into between the Group and a controlling Shareholder of the Company during the year.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 9 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders of the Company as at 31 December 2015 and 2014 were as follows:

	2015 **HK$'000**	2014 HK$'000
Share premium	**483,856**	506,277
Special reserve	**112,369**	112,369
Accumulated losses	**(15,096)**	(576,832)
Total	**581,129**	41,814

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium is available for paying distributions or dividends to shareholders of the Company subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. The Articles of Association provide that an ordinary resolution passed by the shareholders of the Company is required for any distribution out of the share premium account. In the opinion of the Directors, the reserves of the Company available for distribution comprise share premium, contributed surplus and accumulated losses.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

MAJOR CUSTOMER AND SUPPLIER

During the year, revenue to the Group's five largest customers accounted for less than 30% of its total revenue and the Group did not have any supplier. The Directors do not consider any one customer to be influential to the Group.

None of the Directors, their respective associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in any of the lessee or customer of the Group for the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes maintained by the Group are set out in note 29 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business apart from the Group's business, which competed or was likely to compete either directly or indirectly with business of the Group during the year.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information publicly available to the Company, there was sufficient public float throughout the year ended 31 December 2015 and as at the latest practicable date prior to the issue of this annual report.

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

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Company Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Details of significant non-adjusting events after the reporting period are set out in note 37 to the consolidated financial statements.

AUDITORS

Messrs. PKF will retire and a resolution to re-appoint Messrs. PKF as auditors of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Kan Che Kin, Billy Albert
Chairman

Hong Kong
30 March 2016

Independent Auditor's Report

PKF

26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

To the shareholders of China LNG Group Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China LNG Group Limited and its subsidiaries (collectively, the "Group") set out on pages 31 to 80 which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PKF
Certified Public Accountants
Hong Kong
30 March 2016

Consolidated Statement of Profit or Loss

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Turnover – gross	6	**1,022,115**	451,267
Revenue			
Interest income from LNG finance lease arrangements	6	**2,365**	–
LNG finance leases interest income	6	**1,873**	–
Service fee income from leasing of LNG vehicles	6	**116**	–
Dividend income from held for trading investments	6	**10,930**	2,492
Gain on disposal of held for trading investments	6	**42,480**	219,164
Loss on disposal of derivative financial instrument	6	**(33,074)**	–
Gain on bargain purchase of held for trading investments	6	**–**	131,406
Gain on fair value changes of held for trading investments	6	**–**	3,991
Rental income	6	**840**	840
Interest income from loan financing	6	**2,587**	–
Service fee income from loan financing	6	**2,730**	–
		30,847	357,893
Other income and gains	8	**424,499**	1,468
Valuation gains on investment properties	14	**–**	1,822
Share of results of associates	16	**210**	–
Selling and distribution expenses		**(8,916)**	–
Administrative expenses		**(45,069)**	(9,794)
Profit before taxation	10	**401,571**	351,389
Taxation	11	**(557)**	(57,657)
Profit for the year		**401,014**	293,732
Attributable to:–			
Equity shareholders of the Company		**401,059**	293,732
Non-controlling interests		**(45)**	–
Profit for the year		**401,014**	293,732
Earnings per share (HK cents)	13		Restated
– Basic		**0.71**	0.55
– Diluted		**0.71**	0.52

Detail of dividends payable to equity shareholders of the Company are set out in note 12 to the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
Profit for the year	**401,014**	293,732
Other comprehensive loss for the year, net of tax:–		
Items that may be subsequently reclassified to profit or loss:–		
Exchange differences on translating foreign operations	**(23,024)**	–
Total comprehensive income for the year	**377,990**	293,732
Total comprehensive income for the year attributable to:–		
Equity shareholders of the Company	**378,033**	293,732
Non-controlling interests	**(43)**	–
	377,990	293,732

Consolidated Statement of Financial Position

At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Investment properties	14	**65,300**	86,700
Plant and equipment	15	**4,298**	2,171
Interest in associates	16	**608,252**	–
Deposit for acquisition of plant and equipment		**6,374**	–
Receivables under LNG finance lease arrangements	17	**8,288**	–
LNG finance lease receivables	18	**43,700**	–
Deferred tax asset	24	**46**	34
		736,258	88,905
Current assets			
Held for trading investments	19	**–**	212,889
Receivables under LNG finance lease arrangements	17	**94,229**	–
LNG finance lease receivables	18	**36,777**	–
Prepayments, deposits and other receivables	20	**13,722**	1,369
Financial asset at fair value through profit or loss	21	**71,622**	–
Bank balances and cash	22	**170,011**	246,166
		386,361	460,424
Current liabilities			
Accrued charges and other payables	23	**274,436**	1,028
Income tax payable		**21**	55,776
		274,457	56,804
Net current assets		**111,904**	403,620
Total assets less current liabilities		**848,162**	492,525
Non-current liability			
Deferred tax liability	24	**291**	224
Net assets		**847,871**	492,301
Capital and reserves			
Share capital	25(a)	**112,770**	112,769
Reserves		**735,144**	379,532
		847,914	492,301
Non-controlling interest		**(43)**	–
Total equity		**847,871**	492,301

The consolidated financial statements set out on pages 31 to 80 were approved and authorised for issue by the Board of Directors on 30 March 2016 and are signed on its behalf by:–

Kan Che Kin, Billy Albert
Director

Li Kai Yien, Arthur Albert
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Attributable to equity shareholders of the Company								
	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000	Convertible notes reserve HK$'000	Exchange reserve HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2014	86,863	488,569	9,370	100,000	(415)	(429,432)	254,955	–	254,955
Conversion of convertible notes (note 27)	25,906	74,094	–	(100,000)	–	–	–	–	–
Dividend declared and paid (note 12)	–	(56,386)	–	–	–	–	(56,386)	–	(56,386)
Profit and total comprehensive income for the year	–	–	–	–	–	293,732	293,732	–	293,732
At 31 December 2014 and 1 January 2015	112,769	506,277	9,370	–	(415)	(135,700)	492,301	–	492,301
Dividend declared and paid (note 12)	–	(22,554)	–	–	–	–	(22,554)	–	(22,554)
Shares issued in lieu of dividend (note 25(a))	1	133	–	–	–	–	134	–	134
Profit for the year	–	–	–	–	–	401,059	401,059	(45)	401,014
Other comprehensive loss for the year, net of tax:–									
Exchange differences on translating foreign operations	–	–	–	–	(23,026)	–	(23,026)	2	(23,024)
Total comprehensive income for the year	–	–	–	–	(23,026)	401,059	378,033	(43)	377,990
At 31 December 2015	**112,770**	**483,856**	**9,370**	**–**	**(23,441)**	**265,359**	**847,914**	**(43)**	**847,871**

The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition under the group reorganisation.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Profit before taxation		**401,571**	351,389
Adjustments for:–			
Gain on disposal of investment properties		**(5,925)**	–
Gain on disposal of subsidiaries		**(409,579)**	–
Gain on bargain purchase from business combination		**(115)**	–
Interest income on bank deposits		**(3,583)**	(1,468)
Share of results of associates		**(210)**	–
Valuation gains on investment properties		**–**	(1,822)
Depreciation		**1,667**	314
Operating cash flows before movements in working capital		**(16,174)**	348,413
Decrease/(increase) in held for trading investments		**212,889**	(212,889)
Increase in receivables under LNG finance lease arrangements		**(106,768)**	–
Increase in LNG finance lease receivables		**(83,814)**	–
Increase in loan receivables		**(177,088)**	–
Increase in prepayments, deposits and other receivables		**(21,278)**	(383)
Increase in accrued charges and other payables		**17,557**	567
Cash (used in)/from operations		**(174,676)**	135,708
Income tax paid		**(55,675)**	(2,805)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		**(230,351)**	132,903
INVESTING ACTIVITIES			
Deposit paid for acquisition of plant and equipment		**(6,638)**	–
Purchase of plant and equipment	35	**(4,812)**	(2,005)
Proceeds from disposal of investment properties		**27,325**	–
Net cash inflow arising from business combination	31	**2**	–
Net cash outflow arising on disposal of subsidiaries	32	**(6,338)**	–
Purchase of financial assets at fair value through profit or loss		**(74,592)**	–
Interest received		**3,583**	1,468
NET USED IN INVESTING ACTIVITIES		**(61,470)**	(537)
FINANCING ACTIVITIES			
Advance from a shareholder		**250,000**	–
Dividend paid		**(22,420)**	(56,386)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**227,580**	(56,386)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(64,241)**	75,980
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		**(11,914)**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**246,166**	170,186
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH		**170,011**	246,166

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. GENERAL INFORMATION

China LNG Group Limited (the "Company" together with its subsidiaries, the "Group") was incorporated in the Cayman Islands on 5 December 2000 as an exempted company with limited liability under the Companies Law (2001 Second Revision) Chapter 22 of the Cayman Islands. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 24 October 2001. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The consolidated financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

The Company is an investment holding company and the principal activities of the Group are development of liquefied natural gas ("LNG") businesses, provision of finance leasing services for LNG vehicles, vessels and equipment in the People's Republic of China (the "PRC"), as approved by the Ministry of Foreign Trade and Economic Cooperation of the PRC, trading of securities, properties investment and financial services through provision of money lending business.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

In addition, the consolidated financial statements include applicable disclosures required by the Rules (the "Listing Rules") governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

(b) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following revised Hong Kong Financial Reporting Standards:–

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual improvements (2010-2012)	Amendments to HKFRS 8, HKAS 16, HKAS 24 and HKAS 38
Annual improvements (2011-2013)	Amendments to HKFRS 3, HKFRS 13 and HKAS 40

The initial application of these revised financial reporting standards does not necessitate material changes in the Group's accounting policies and retrospective adjustments of the comparatives presented in the consolidated financial statements.

2. BASIS OF PREPARATION (continued)

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following new and revised Hong Kong Financial Reporting Standards in issue at 31 December 2015 have not been applied in the preparation of the Group's financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2015:–

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 28, HKFRS 10 and HKFRS 12	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Annual Improvements (2012-2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
4 Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these standards and amendments 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Measurement basis

The consolidated financial statements are prepared using the historical cost basis as modified by the revaluation of held for trading investments, financial asset at fair value through profit or loss and investment properties.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All inter-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Business combination and goodwill

Business combination is accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group from the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability is recognised in accordance with HKFRS 13 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items are lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is included in a disposal group that is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

Revenue recognition

Dividend income from held for trading investments is recognised when the right to receive payment is established.

Realised gains or losses from held for trading investments and derivative financial instrument are recognised on a trade date basis whilst the unrealised gains or losses are recognised from valuation at the end of the reporting period.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Finance lease interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the net investment of finance lease or a shorter period, when appropriate, to the net carrying amount of the net investment of finance lease.

Service fee income is recognised when services have been rendered.

Leases

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

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the terms of the relevant leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in fair value of investment property are included in profit or loss for the period in which they arise.

Land held under operating leases is classified and accounted for as investment property when the rest definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss for the year in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profit or loss, and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified as held for trading if:

– it has been acquired principally for the purpose of selling in the near future; or

– it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

At the end of each reporting period subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables, including deposits and bank balances, are carried at amortised cost using the effective interest rate method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company comprise share capital and convertible notes reserve.

The Group's financial liabilities, including accrued charges and other payables, are generally classified as other financial liabilities. Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Offsetting financial instruments

Financial assets and financial liabilities are separately presented in the consolidated statement of financial position without any offsetting, except when:

(i) the Group has a legally enforceable right to offset the recognised amounts; and

(ii) the Group has intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instrument

Derivative financial instrument is recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged. For derivative financial assets that are linked to unquoted equity instruments, which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and must be settled by delivery of such unquoted equity instruments, it is carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash on hand.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity, respectively.

Employee benefits

(i) Retirement benefits schemes

The retirement benefits costs charged to profit or loss represent the contributions payable in respect of the current year to the Group's defined contribution retirement benefits schemes for its employees.

(ii) Termination benefits

Termination benefits are recognised when and only when the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic probability of withdrawal.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Related parties

A person or a close member of that person's family is related to the Group if that person (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or of a parent of the Group.

An entity is related to the Group if (i) the entity and the Group are members of the same group of companies; (ii) the entity is an associate or joint venture of either the Group or a member of a group of which the Group is a member; (iii) the Group is an associate or joint venture of either the entity or a member of a group of which the entity is a member; (iv) the entity and the Group are joint ventures of the same third party; (v) the entity is a joint venture of a third entity and the Group is an associate of that third entity; (vi) the Group is a joint venture of a third entity and the entity is an associate of that third entity; (vii) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (viii) the entity is controlled or jointly controlled by a person related to the Group or a close member of that person's family; (ix) a person who has control or joint control over the Group has significant influence over the entity; or (x) a person who has control or joint control over the Group is a member of the key management personnel of the entity (or of a parent of the entity).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT

In the process of applying the Group's accounting policies which are described in note 3 to the consolidated financial statements, management has made the following estimation uncertainty and judgement that has most significant effect on the amounts recognised in the consolidated financial statements.

Revaluation of investment properties

The fair value of the Group's investment properties at 31 December 2015 has been arrived at on the basis of a valuation carried out on that date by Roma Appraisals Ltd, an independent professional surveyor and property valuer not connected with the Group. Roma Appraisals Ltd is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant location. The valuations were arrived at by reference to comparable sales transactions as available in the relevant market.

Impairment of plant and equipment

Determining whether plant and equipment are impaired requires an estimation of the value in use of the cash generating units to which the plant and equipment have been allocated. The calculation of value in use requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value.

Impairment of receivables under LNG finance lease arrangements and LNG finance lease receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows expected to arise from the settlement of the receivables and fair value of the pledged assets less cost to sell. The amount of the impairment loss is measured as the difference between the asset's carrying amount and higher of the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition) and the fair value of the pledged assets less cost to sell. The fair value of the pledged assets is determined with reference to the relevant market information or valuation result performed by independent valuer. Where the actual future cash flows or the net selling price of the pledged assets are less than expected, a material impairment loss may arise.

During the year ended 31 December 2015, no impairment loss has been recognised for receivables under LNG finance lease arrangements and LNG finance lease receivables (2014: Nil). At 31 December 2015, the carrying amounts of receivables under LNG finance lease arrangements and LNG finance lease receivables were approximately HK$102,517,000 (2014: Nil) and approximately HK$80,477,000 (2014: Nil) respectively.

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management establishes the appropriate valuation techniques and inputs for fair value measurement.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 5 and 21 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENT (continued)

Income tax

At 31 December 2015, no deferred tax assets had been recognised in respect of temporary differences arising from tax losses accumulated in the Hong Kong subsidiaries of the Company amounted to approximately HK$495,582,000 (2014: HK$494,521,000), tax losses accumulated in the PRC subsidiaries of the Company amounted to approximately HK$17,862,000 (2014: Nil) and decelerated tax allowances of approximately HK$Nil (2014: HK$2,458,000) due to the unpredictability of future taxable profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in future. In case where the actual future profit generated is more than expected, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

5. FINANCIAL RISK MANAGEMENT

(a) Nature and extent of financial instrument risks

Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group manages credit risk by setting up credit control policy and periodic evaluation of credit performance of other parties, measured by the extent of past due or default and their financial healthiness.

At 31 December 2015, the Group's maximum exposure to credit risk arises from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Before accepting any new borrowers, the Group would assess the credit quality of each potential borrower and define limits for each borrower. The Group also demands certain borrowers to place security deposits and/or pledge assets with the Group at the time the agreement is entered into. In addition, the Group would also review the repayment history of payments from each borrower with reference to the repayment schedule from the date of principal amount was initially granted up to the reporting date to determine the recoverability of a receivable. Furthermore, the Group would assess and review the fair value of the pledged assets continuously to ensure the value of the relevant collateral could well cover the amount granted to the customers and any outstanding receivables.

The Group's concentration of credit risk by geographical locations is mainly in Mainland China, which accounted for 100% (2014: Nil) of the receivables under LNG finance lease arrangements and finance lease receivables as at 31 December 2015.

The Group also has concentration of credit risk from finance leasing business as 46% (2014: Nil) and 85% (2014: Nil) of the total receivables under LNG finance lease arrangement and LNG finance lease receivables was due from the Group's largest borrower and the five largest borrowers, respectively. All balances of the customers have good repayment history with no record of late payment.

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Nature and extent of financial instrument risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the debt-to-equity capital ratio as mentioned in note 25(b) to the consolidated financial statements.

The maturity profile of the Group's financial liabilities at 31 December 2015, based on contractual undiscounted cash flows, is as follows:–

	2015 **HK$'000**	2014 HK$'000
Accrued charges and other payable, due for payment within one year or on demand	**273,809**	1,028

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group considers hedging significant currency risk should the need arise.

Carrying amounts of financial instruments of the Group at 31 December 2015 exposed to currency risk were as follows:–

	2015 **HK$'000**	2014 HK$'000
Cash and bank balances	**12,465**	124

The Group's financial instruments exposed to currency risk were primarily denominated in the following currencies:–

	2015 **HK$'000**	2014 HK$'000
United States dollars	**12,422**	78
Renminbi	**43**	46
	12,465	124

The Group's operation in Hong Kong and the PRC is exposed to foreign currency translation risk arising from Renminbi. At present, the Group does not intend to seek to hedge its exposure to foreign exchange risk profile as the exposure to Renminbi is minimal.

Since Hong Kong dollars is pegged to United States dollars, impact on material fluctuations in the exchange rate of Hong Kong dollars against United States dollars is remote.

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Nature and extent of financial instrument risks (continued)

Market risk (continued)

Currency risk (continued)

It is estimated that a fluctuation of 5% in foreign exchange rates with all other variables held constant would not have a material impact on the Group's profit for the years ended 31 December 2015 and 2014, and retained profits and accumulated losses as at those dates respectively.

Interest rate risk

The Group's interest rate risk arises primarily from receivables under LNG finance lease arrangements, LNG finance lease receivables, financial asset at fair value through profit or loss and bank balances. Except for the receivables under LNG finance lease arrangements and LNG finance lease receivables which are held at fixed interest rates, all the financial asset at fair value through profit or loss and bank balances are held at variable rates. The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group is closely monitored by the management and the Group may enter into appropriate swap contracts, when it is considered significant and cost-effective, to manage the interest rate risk.

(i) Effective interest profile

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the end of the reporting period:–

	2015 Effective Interest rate %	**2015** HK$'000	2014 Effective Interest rate %	2014 HK$'000
Fixed rate financial assets				
Receivables under LNG finance lease arrangements	**3.92 – 12.32**	**102,517**	–	–
LNG Finance lease receivables	**6.98 – 12.48**	**80,477**	–	–
Variable rate financial assets				
Financial asset at fair value through profit or loss	**2.2 – 4.2**	**71,622**	–	–
Bank balances	**0.01 – 1.76**	**170,009**	0.01 – 0.25	246,166
Net financial assets		**424,625**		246,166

(ii) It is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would not have a material impact on the Group's profit for the years ended 31 December 2015 and 2014, and retained profits and accumulated losses as at those dates respectively.

The sensitivity analysis above has been determined based on the exposure to interest rate for both derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the amount of asset outstanding at the end of the reporting period was outstanding for the whole year. 100 basis points increase are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the reasonable possible change in interest rates.

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Nature and extent of financial instrument risks (continued)

Market risk (continued)

Other price risk

As at 31 December 2015 and 2014, the Group is exposed to other price risk through its investments classified as financial asset at fair value through profit or loss (note 21) and investments in equity securities listed on the Stock Exchange respectively. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group currently does not use any derivative contracts to hedge its exposure to other price risk. However, the management has appointed a team to monitor the price risk and will consider hedging the risk exposure should that needs arise.

If the prices of the respective instruments at 31 December 2015 had been 10% (2014: 10%) higher/lower, the Group's profit for the year ended 31 December 2015 would increase/decrease by approximately HK$5,372,000 (2014: HK$17,776,000) as a result of the changes in fair value of held-for-trading investments and financial asset at fair value through profit or loss.

Fair value measurements of financial instruments

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value as at 31 December 2015 across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:–

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments

- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Nature and extent of financial instrument risks (continued)

Fair value measurements of financial instruments (continued)

(i) Financial instruments carried at fair value (continued)

The Group had the following financial instrument carried at fair value which is based on the Level 1 and Level 3 of the fair value hierarchy:–

Financial assets	Fair value as at 31 December 2015	31 December 2014	Fair value hierarchy	Valuation technique and key inputs	Relationship of unobservable inputs to fair value
Held for trading investments	–	Listed equity securities: – in Hong Kong: HK$212,889,000	Level 1	Quoted bid prices in an active market	N/A
Financial asset at fair value through profit or loss	Investment in Mainland China with carrying amount of HK$71,622,000	–	Level 3	Key unobservable inputs are expected yields of 2.2% to 4.2% of money market instruments and debt instruments invested by the bank	The higher the expected yield, the higher the fair value

Note: The Directors consider that the impact of the fluctuation in expected yields of the money market instruments and debt instruments to the fair value of the investment was insignificant as the investment has short maturities, and therefore no sensitivity analysis is presented.

No gains or losses are recognised in profit or loss relating to the change in fair value of financial asset at fair value through profit or loss classified as Level 3 in the current year as the amount involved is insignificant, and therefore no reconciliation of Level 3 fair value measurements is presented.

During the year ended 31 December 2015, there were no significant transfers of financial instruments between Level 1, Level 2 or Level 3.

(ii) Fair values of financial instruments carried at other than fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. TURNOVER AND REVENUE

Turnover – gross

Turnover represents the aggregate of income from the LNG businesses in the PRC, gross income from trading of securities, rental income from letting of investment properties in Hong Kong and income from financial services through provision of money lending business in Hong Kong, is analysed as follows:–

	2015 HK$'000	2014 HK$'000
Interest income from LNG finance lease arrangements	2,365	–
LNG finance leases interest income	1,873	–
Service fee income from leasing of LNG vehicles	116	–
Dividend income from held for trading investments	10,930	2,492
Gross income from disposal of held for trading investments	712,948	443,944
Gross income from disposal of derivative financial instrument	287,726	–
Gain on fair value changes of held for trading investments	–	3,991
Rental income	840	840
Interest income from loan financing	2,587	–
Service fee income from loan financing	2,730	–
	1,022,115	451,267

Revenue

Revenue represents the aggregate of income from the LNG businesses in the PRC, income from trading of securities, rental income from letting of investment properties in Hong Kong and income from financial services through provision of money lending business in Hong Kong, is analysed as follows:–

	2015 HK$'000	2014 HK$'000
Interest income from LNG finance lease arrangements	2,365	–
LNG finance leases interest income	1,873	–
Service fee income from leasing of LNG vehicles	116	–
Dividend income from held for trading investments	10,930	2,492
Gain on disposal of held for trading investments	42,480	219,164
Loss on disposal of derivative financial instrument	(33,074)	–
Gain on bargain purchase of held for trading investments (note)	–	131,406
Gain on fair value changes of held for trading investments	–	3,991
Rental income	840	840
Interest income from loan financing	2,587	–
Service fee income from loan financing	2,730	–
	30,847	357,893

Note:–

On 20 January 2014, Mr. Kan Che Kin, Billy Albert ("Mr. Kan"), an executive Director and the substantial shareholder of the Company, and Key Fit Group Limited ("Key Fit"), a former wholly owned subsidiary of the Company, entered into a sale and purchase agreement pursuant to which Mr. Kan agreed to sell and Key Fit agreed to purchase 152,050,000 shares of Fullshare Holdings Limited ("Fullshare"), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange, for a total consideration of HK$7,602,500 (or HK$0.05 per Fullshare's share) and convertible bonds issued by Fullshare in the principal amount of HK$80,000,000 Fullshare's shares for a total consideration of HK$80,000,000. The gain on bargain purchase of held for trading investments of approximately HK$131,406,000 was recognised in profit or loss for the year ended 31 December 2014.

7. SEGMENTS AND EQUITY – WIDE INFORMATION

Reportable segments

The Group determines its operating segments based on the Directors' decisions. For management purposes, the Group is organised into six (2014: three) operating divisions, which are the basis on which the Group reports its segment information.

The Group's principal activities are as follows:

(1) Development of the LNG businesses in the PRC

- Financial provision through finance leasing services for LNG vehicles, vessels and equipment;
- Provision of LNG in the downstream market through fuelling/refuelling of LNG in road refuelling stations for commercial vehicles and water refuelling stations for vessels and specific designed refuelling facilities for equipment; and
- Commercial vehicle platform services through the Group's Environmental Green Club ("綠車滙"), including provision of the commercial vehicles users long distance IT control, insurance handling and purchase/sale of their new/used LNG/diesel vehicles.

(2) Trading of securities

(3) Properties investment

(4) Financial services through provision of money lending business

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:–

(1) Segment assets consist primarily of investment properties, certain plant and equipment, held for trading investments, receivables under LNG finance lease arrangements and LNG finance lease receivables, and mainly exclude interest in associates and deferred tax assets. Segment liabilities comprise operating liabilities and mainly exclude items such as income tax payable and deferred tax liabilities.

(2) Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and transactions, which are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

(3) Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

(4) Unallocated items comprise financial and corporate assets and corporate and financial expenses.

The measure used for reporting segment result is "adjusted EBIT" i.e. adjusted earnings before interest and taxes. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as other head office or corporate administration costs.

7. SEGMENTS AND EQUITY – WIDE INFORMATION (continued)

Reportable segments (continued)

Segment information about the aforementioned businesses is set out as follows:–

	Financial provision through finance leasing services for LNG vehicles, vessels and equipment		Provision of LNG in the downstream market		Provision of commercial vehicle platform services		Trading of securities		Properties investment		Financial services through provision of money lending business		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
TURNOVER														
Gross	**4,354**	–	**–**	–	**–**	–	**1,011,604**	450,427	**840**	840	**5,317**	–	**1,022,115**	451,267
REVENUE														
External	**4,354**	–	**–**	–	**–**	–	**20,336**	357,053	**840**	840	**5,317**	–	**30,847**	357,893
RESULT														
Segment result	**(28,707)**	(2,895)	**(4,873)**	–	**(2,413)**	–	**17,102**	355,224	**6,180**	1,787	**5,113**	–	**(7,598)**	354,116
Other income and gains													**418,574**	1,468
Share of results of associates													**210**	–
Unallocated corporate expenses													**(9,615)**	(4,195)
Profit before taxation													**401,571**	351,389
Taxation													**(557)**	(57,657)
Profit for the year													**401,014**	293,732
Assets														
Segment assets	**198,886**	–	**6,526**	–	**537**	–	**–**	212,889	**65,551**	87,090	**–**	–	**271,500**	299,979
Unallocated corporate assets													**851,119**	249,350
Consolidated total assets													**1,122,619**	549,329
Liabilities														
Segment liabilities	**9,504**	503	**35**	–	**–**	–	**–**	–	**140**	140	**–**	–	**9,679**	643
Unallocated corporate liabilities													**265,069**	56,385
Consolidated total liabilities													**274,748**	57,028
Other information														
Allocated capital additions	**4,499**	–	**5,975**	–	**665**	–	**10,547**	–	**–**	–	**–**	–	**21,686**	–
Unallocated capital additions													**–**	2,005
Allocated deprecation	**400**	–	**–**	–	**106**	–	**1,037**	–	**124**	124	**–**	–	**1,667**	124
Unallocated depreciation													**–**	190

7. SEGMENTS AND EQUITY – WIDE INFORMATION (continued)

Reportable segments (continued)

Entity-wide information

The Group's operations of the development of LNG businesses including the provision of finance leasing services for LNG vehicles, vessels and equipment, provision of LNG in the downstream market and provision of commercial vehicle platform services are located in the PRC and the remaining operations are located in Hong Kong during both years. An analysis of the Group's geographical information is set out as follows:–

	2015 HK$'000	2014 HK$'000
Revenue by geographical location of its external customers:–		
Hong Kong	26,493	357,893
PRC	4,354	–
	30,847	357,893

	2015 HK$'000	2014 HK$'000
Carrying amount of non-current assets analysed by geographical area in which the assets are located of:–		
Hong Kong	673,760	88,871
PRC	62,452	–
	736,212	88,871

8. OTHER INCOME AND GAINS

	2015 HK$'000	2014 HK$'000
Gain on disposal of subsidiaries (note 32)	409,579	–
Gain on bargain purchase from business combination (note 31)	115	–
Gain on disposal of investment properties	5,925	–
Interest income on bank deposits	3,583	1,468
Exchange gain, net	5,273	–
Sundry income	24	–
	424,499	1,468

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(i) Directors' remuneration

Pursuant to the Listing Rules, Section 383(1)(a),(b),(c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulations, the emoluments paid or payable to each of the ten (2014: eight) directors are as follows:–

		Other emoluments		
	Fees HK$'000	Salaries and other benefits HK$'000	Pension costs HK$'000	Total emoluments HK$'000
For the year ended 31 December 2015				
Executive directors:–				
Kan Che Kin, Billy Albert	**10**	**–**	**–**	**10**
Li Shu Han, Eleanor Stella	**10**	**–**	**–**	**10**
Li Kai Yien, Arthur Albert	**10**	**–**	**–**	**10**
Chen Li Bo	**–**	**1,409**	**–**	**1,409**
Non-executive directors:–				
Simon Murray	**50**	**–**	**–**	**50**
Lam, Lee G.	**50**	**–**	**–**	**50**
Independent non-executive directors:–				
Li Siu Yui	**50**	**–**	**–**	**50**
Ip Woon Lai	**50**	**–**	**–**	**50**
Lee Kong Leong	**14**	**–**	**–**	**14**
Lam Lum Lee	**29**	**–**	**–**	**29**
	273	**1,409**	**–**	**1,682**

		Other emoluments		
	Fees HK$'000	Salaries and other benefits HK$'000	Pension costs HK$'000	Total emoluments HK$'000
For the year ended 31 December 2014				
Executive directors:–				
Kan Che Kin, Billy Albert	10	–	–	10
Li Shu Han, Eleanor Stella	10	–	–	10
Li Kai Yien, Arthur Albert	10	–	–	10
Independent non-executive directors:–				
Li Siu Yui	50	–	–	50
Ip Woon Lai	50	–	–	50
Lee Kong Leong	50	–	–	50
Simon Murray	10	–	–	10
Lam, Lee G.	10	–	–	10
	200	–	–	200

Note:–

At 31 December 2015, the remuneration payable to the directors was approximately HK$81,000 (2014: HK$64,000) which was included in accrued charges and other payables in note 23 to the consolidated financial statements.

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (continued)

(ii) Employees' emoluments

During the year, the five (2014: five) highest paid individuals included one Director (2014: no Director), details of which are set out above in paragraph (i). The emoluments of the remaining four (2014: five) highest paid individuals are as follows:–

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**4,674**	1,402
Retirement benefits scheme contributions	**276**	41
	4,950	1,443

The number of employees whose remuneration fell within the following bands was:–

	2015	2014
Nil – HK$1,000,000	**–**	5
HK$1,000,001 – 1,500,000	**4**	–
	4	5

There was no arrangement under which a Director waived or agreed to waive any emoluments and no remuneration was paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

10. PROFIT BEFORE TAXATION

	2015 HK$'000	2014 HK$'000
Profit before taxation has been arrived at after charging/(crediting):–		
Auditor's remuneration	**638**	335
Depreciation of plant and equipment	**1,667**	314
Operating lease rentals in respect of rented premises	**4,173**	1,224
Rental income less outgoings	**(696)**	(551)
Staff costs:–		
Directors' remuneration		
– fees	**273**	200
– other emoluments	**1,409**	–
	1,682	200
Staff costs excluding directors' remuneration	**20,165**	1,958
Retirement benefits scheme contributions, excluding amounts included in directors' remuneration	**2,102**	54
	22,267	2,012
Total staff costs	**23,949**	2,212

11. TAXATION

Taxation in the consolidated statement of profit or loss represents:–

	2015 HK$'000	2014 HK$'000
Current tax		
Provision for the year	**502**	57,600
Over provision in previous year	**–**	(10)
	502	57,590
Deferred tax		
Charge for the year (note 24)	**55**	67
	557	57,657

Provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the year.

No provision for taxation has been made in respect of the Company's subsidiaries operating in other jurisdictions as they did not have assessable profits for both years.

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

	2015 HK$'000	2014 HK$'000
Profit before taxation	**401,571**	351,389
Tax at Hong Kong Profits Tax rate of 16.5% (2014: 16.5%)	**66,259**	57,979
Tax effect of non-deductible expenses	**2,595**	672
Tax effect of non-taxable income	**(70,681)**	(1,511)
Tax effect of deductible temporary differences not recognised	**(1,358)**	112
Tax effect of unrecognised tax losses	**3,598**	–
Over provision in previous year	**–**	(10)
Others	**144**	415
Taxation for the year	**557**	57,657

12. DIVIDENDS

(a) Dividend declared and paid or payable to equity shareholders attributable to the reporting year:–

	2015 HK$'000	2014 HK$'000
Interim dividend declared and paid of HKNil cent per share (2014: HK0.04 cents per share, adjusted for the effect of the Share Subdivision (as defined in note 13) in August 2015)	**–**	22,554
Final dividend proposed after the end of the reporting period of HK0.1 cent per share (2014: HK0.04 cents per share, adjusted for the effect of the Share Subdivision in August 2015)	**56,385**	22,554
	56,385	45,108

The final dividend for the year ended 31 December 2015 of HK0.1 cent per share with a scrip option has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The final dividend proposed after the end of both reporting periods had not been recognised as a liability at the end of both reporting periods.

(b) Dividend payable to equity shareholders approved and paid during the reporting year:–

	2015 HK$'000	2014 HK$'000
Interim dividend declared and paid during the year of HKNil cent per share (2014: HK0.04 cents per share, adjusted for the effect of the Share Subdivision in August 2015)	**–**	22,554
Final dividend in respect of the previous financial year, approved and paid during the year, of HK0.04 cents per share (2014: HK0.06 cents per share, adjusted for the effect of the Share Subdivision in August 2015)	**22,554**	33,832
	22,554	56,386

13. EARNINGS PER SHARE

The calculation of weighted average number of shares of the Company (the "Shares") for the purpose of earnings per Share ("EPS") has taken into account the effect of the share subdivision of each of the issued and unissued Shares of HK$0.01 each in the share capital of the Company into five subdivided shares of HK$0.002 each ("Share Subdivision") (Note 25(a)(i)) effective on 10 August 2015.

The weighted average number of Shares for EPS calculation represent (i) Basic EPS – the average number of Shares in issue during the current and preceding year; (ii) Diluted EPS – the average number of Shares in issue during the preceding year as adjusted for potential diluted effect of 3,193,981,120 Shares to be allotted and issued upon the exercise in full of the conversion rights attaching to the outstanding convertible notes. There was no dilutive instrument during the current year. These calculations of weighted average number of Shares assume the aforementioned Share Subdivision was conducted at the beginning of the period on 1 January 2014.

The calculation of EPS attributable to equity shareholders of the Company for the year is based on the profit for the year of approximately HK$401,059,000 (2014: HK$293,732,000) and the weighted average number of (i) 56,384,844,765 (2014: 53,190,725,860) Shares in issue for basic EPS; (ii) 56,384,844,765 (2014: 56,384,706,980) Shares in issue for diluted EPS.

	2015 Number of shares	2014 Number of shares
		Restated
Weighted average number of Shares		
Weighted average number of Shares (basic)	**56,384,844,765**	53,190,725,860
Effect of the exercise in full of the conversion rights attaching to the convertible notes	**–**	3,193,981,120
Weighted average number of Shares (diluted)	**56,384,844,765**	56,384,706,980

14. INVESTMENT PROPERTIES

	2015 HK$'000	2014 HK$'000
At 1 January	**86,700**	84,878
Disposals	**(21,400)**	–
Fair value adjustment	**–**	1,822
At 31 December, at fair value	**65,300**	86,700

(a) At 31 December 2015 and 2014, all of the Group's investment properties were located in Hong Kong and were built on land held under medium-term to long-term leases.

	2015 HK$'000	2014 HK$'000
Medium-term lease	**43,200**	64,600
Long-term lease	**22,100**	22,100
	65,300	86,700

14. INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of investment properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:–

Level 1: Fair value measured using unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Fair value measured using observable inputs and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: Fair value measured using significant unobservable inputs.

	Fair value at 31 December	Quoted market price Level 1	Using observable inputs Level 2	With significant unobservable inputs Level 3
Recurring fair value measurement				
Investment properties	65,300	–	–	65,300

During the year ended 31 December 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period.

The Group's investment properties were revalued by Roma Appraisals Limited, an independent professional valuer, at 31 December 2015. The valuations were carried out by qualified persons who are members of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being held.

14. INVESTMENT PROPERTIES (continued)

(b) Fair value measurement of investment properties (continued)

(i) Fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 investment properties, measured at fair value using a valuation technique with significant unobservable inputs:–

	2015 **HK$'000**	2014 HK$'000
At 1 January	**86,700**	84,878
Disposals	**(21,400)**	–
Effect of properties revaluation	**–**	1,822
At 31 December	**65,300**	86,700
Unrealised gain or losses recognised in profit or loss relating to those assets held at the end of the reporting period	**–**	1,822

(ii) Information about Level 3 fair value measurements

	Valuation technique(s)	**Unobservable input(s)**	**Range**
Investment properties	Direct comparison approach	Premium (discount) on characteristic of the properties	0 % to 10%

The fair value of investment properties are determined using direct comparison approach to value these properties in their respective existing states and uses on the market basis assuming sale with immediate vacant possession and by making reference to comparable sales evidence. The valuations take into account the characteristic of the properties which included the location, size, shape, view, floor level, year of completion and others factors collectively. Higher premium for properties with higher characteristic will result in a higher fair value measurement.

15. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Yacht HK$'000	Total HK$'000
COST					
At 1 January 2014	823	447	–	–	1,270
Additions	43	–	1,962	–	2,005
At 1 January 2015	866	447	1,962	–	3,275
Exchange adjustments	(91)	(28)	(69)	–	(188)
Additions	2,350	706	1,756	10,500	15,312
Disposal of subsidiaries (note 32)	(294)	–	(1,962)	(10,500)	(12,756)
At 31 December 2015	**2,831**	**1,125**	**1,687**	**–**	**5,643**
DEPRECIATION					
At 1 January 2014	343	447	–	–	790
Provided for the year	150	–	164	–	314
At 1 January 2015	493	447	164	–	1,104
Exchange adjustments	(5)	(7)	(8)	–	(20)
Provided for the year	271	165	587	644	1,667
Disposal of subsidiaries (note 32)	(217)	–	(545)	(644)	(1,406)
At 31 December 2015	**542**	**605**	**198**	**–**	**1,345**
CARRYING VALUES					
At 31 December 2015	**2,289**	**520**	**1,489**	**–**	**4,298**
At 31 December 2014	373	–	1,798	–	2,171

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

Furniture, fixtures and equipment	20%
Leasehold improvements	25%
Motor vehicles	20%
Yacht	20%

16. INTEREST IN ASSOCIATES

	2015 HK$'000	2014 HK$'000
Cost of unlisted investment in associates	608,042	–
Share of results of associates	210	–
	608,252	–

Details of the associates at 31 December 2015 are as follows:–

Name of company	Place of incorporation	Class of shares held	Proportion of value of issued capital held by the Group Directly	Indirectly	Principal activities
Key Fit Group Limited	Hong Kong	Ordinary	60.42%	–	Trading of securities
Artel International Technologies Limited	Hong Kong	Ordinary	–	60.42%	Investment holding
Jin Hung Finance Limited ("Jin Hung Finance")	Hong Kong	Ordinary	–	60.42%	Provision of money lending services

The above associates are accounted for using the equity method in the consolidated financial statements.

Financial information of associates

Summarised financial information in respect of Key Fit and its subsidiaries is set out below:–

	2015 HK$'000
Gross amount	
Current assets	1,062,268
Non-current assets	11,282
Current liabilities	(66,857)
Equity	1,006,693

16. INTEREST IN ASSOCIATES (continued)

	2015 HK$'000
Reconciliation	
Gross amount of equity	1,006,693
Group's effective interest	60.42%
Group's share of equity	608,252
Elimination of gains or losses for transactions between the Group and the associates	–
Carrying amount of the Group's interest	608,252

	2015 HK$'000
Turnover – gross	1,017,550
Revenue	26,282
Profit for the year	17,669
Other comprehensive income for the year	–
Total comprehensive income for the year	17,669

Key Fit and its subsidiaries were the former subsidiaries of the Company. Pursuant to the disposal set out in note 32, these companies became the Group's associates. A reconciliation of the annual results of Key Fit and its subsidiaries to the share of results of associates per consolidated statement of profit or loss is as follows:

	2015 HK$'000
Profit for the year	17,669
Profit before the disposal	(17,322)
	347
Group's effective interest	60.42%
Share of results of associates	210

17. RECEIVABLES UNDER LNG FINANCE LEASE ARRANGEMENTS

The Group provides finance leasing services for LNG vehicles in the PRC. The receivables under these finance lease arrangements are aged as follows:–

	2015 HK$'000	2014 HK$'000
Within one year	94,229	–
In the second to fifth years, inclusive	8,288	–
	102,517	–

17. RECEIVABLES UNDER LNG FINANCE LEASE ARRANGEMENTS (continued)

The Group entered into several finance lease arrangements pursuant to which the lessees sold their vehicles to the Group and leased back the assets with lease period ranging from half year to 3 years from the date of inception. The ownership of leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and the interest accrued under the finance lease arrangements. The lessees retain control of the assets before and after entering into the arrangements. These finance lease arrangements do not constitute leases for accounting purposes.

At 31 December 2015, the effective interest rates applicable to the finance lease arrangements ranged from approximately 3.92% to 12.32% per annum. The receivables were neither past due nor impaired and are secured by the leased vehicles. The Group has obtained guarantees provided by the controlling shareholders of the lessees for certain finance lease arrangements. The lessees are obliged to settle the amounts according to the terms set out in the relevant agreements.

18. LNG FINANCE LEASE RECEIVABLES

	Minimum lease payments 2015 HK$'000	Minimum lease payments 2014 HK$'000	**Present value of minimum lease payments 2015 HK$'000**	Present value of minimum lease payments 2014 HK$'000
Within one year	**42,671**	–	**36,777**	–
In the second to fifth years, inclusive	**47,662**	–	**43,700**	–
	90,333	–	**80,477**	–
Less: Unearned finance income	**(9,856)**	–		
Present value of minimum lease payment receivables	**80,477**	–		–
Less: Amount receivable within 12 months (shown under current assets)			**(36,777)**	–
Amount receivable after 12 months			**43,700**	–

The Group entered into several finance lease contracts pursuant to which the Group purchased new vehicles or equipment from third party manufacturers or distributors of its choice or of the lessees' choice and leased back the assets to the lessees with lease period ranging from 2 years to 3 years from the date of inception. The ownership of the leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and the interest accrued under the finance lease contracts. The lessees retain control of the assets after entering into the contracts.

At 31 December 2015, the effective interest rates applicable to the finance lease ranged from approximately 6.98% to 12.48% per annum. The receivables were neither past due nor impaired and are secured by the leased vehicles and equipment. The Group has obtained guarantees provided by the controlling shareholders of the lessees for certain finance lease and security deposits of approximately HK$8,855,000 for certain finance lease contracts. The security deposits were interest-free. The lessees are obliged to settle the amounts according to the terms set out in the relevant agreements.

19. HELD FOR TRADING INVESTMENTS

	2015 HK$'000	2014 HK$'000
Equity securities listed in Hong Kong, at fair value	–	212,889

The fair value of Group's investments in listed equity securities had been determined directly by reference to their published price quotations in active market at the end of the reporting period.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000
Prepayments and deposits	3,333	1,369
Value-added tax recoverable	10,389	–
	13,722	1,369

21. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2015, the Group had an unlisted investment of HK$71,622,000 (equivalent to RMB60,000,000) offered by China Construction Bank (the "Bank") in the PRC. The investment carries interest at expected interest rate of 2.2% to 4.2% per annum, depending on the market price of the underlying money market instruments and debt instruments invested by the Bank, payable on redemption. The product is non-principal guaranteed. The Group has the right to redeem the investment at any time and receive the redemption price based on the rate of return as announced by the Bank when redeem.

The investment was fully redeemed in cash in January 2016. The change in fair value up to the date of redemption was not significant.

No change in fair value for the investment is recognised for the year ended 31 December 2015 as the effect is not significant.

22. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group. The bank balances are denominated primarily in Hong Kong dollar, Renminbi and United States dollar.

23. ACCRUED CHARGES AND OTHER PAYABLES

	2015 **HK$'000**	2014 HK$'000
Accrued charges and other payables	**7,178**	1,028
Guaranteed deposits on LNG finance leases	**8,855**	–
Amount due to an associate (note 23(a))	**8,403**	–
Amount due to a shareholder (note 23(b))	**250,000**	–
	274,436	1,028

Notes:–

(a) The amount is unsecured, interest-free and repayable on demand.

(b) The amount due to a shareholder, Mr. Kan is unsecured, interest-free and repayable on demand.

24. DEFERRED TAXATION

The following is deferred tax (assets)/liabilities recognised by the Group and movement thereon during the year are as follows:–

	Tax losses HK$'000	**Accelerated depreciation allowances** HK$'000	**Total** HK$'000
At 1.1.2014	(422)	545	123
(Credit)/charge for the year	(88)	155	67
At 31.12.2014 and 1.1.2015	(510)	700	190
Charge/(credit) for the year	60	(5)	55
At 31.12.2015	**(450)**	**695**	**245**

The unutilised tax losses accumulated in the Hong Kong subsidiaries of the Company amounted to approximately HK$495,582,000 (2014: HK$494,521,000) can be carried forward indefinitely. The unutilised tax losses accumulated in the PRC subsidiaries amounted to approximately HK$17,862,000 (2014: HK$Nil) would expire in five years from the respective year of loss. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the Group had deductible temporary differences not recognised of approximately HK$Nil (2014: HK$2,458,000) arising from the decelerated tax allowances. No deferred tax asset has been recognised in relation to these deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

24. DEFERRED TAXATION (continued)

Reconciliation to the deferred tax disclosed in the consolidated statement of financial position:–

	2015 HK$'000	2014 HK$'000
Deferred tax asset recognised in the consolidated statement of financial position	**(46)**	(34)
Deferred tax liability recognised in the consolidated statement of financial position	**291**	224
	245	190

25. SHARE CAPITAL

(a) Share capital

	2015 Number of shares	2015 Amount HK$'000	2014 Number of shares Restated	2014 Amount HK$'000
Shares of HK$0.002 each				
Authorised:–				
At 1 January and 31 December	**200,000,000,000**	**400,000**	200,000,000,000	400,000
Issued and fully paid:–				
At 1 January	**56,384,706,980**	**112,769**	43,431,339,105	86,863
Conversion of convertible notes (Note 25(a)(i))	**–**	**–**	12,953,367,875	25,906
Shares issued in lieu of dividend	**342,120**	**1**	–	–
At 31 December	**56,385,049,100**	**112,770**	56,384,706,980	112,769

Note:–

(i) Pursuant to the extraordinary general meeting passed on 7 August 2015, Share Subdivision whereby each of the issued and unissued ordinary share with a par value of HK$0.01 each in the share capital of the Company be subdivided into 5 ordinary shares with a par value of HK$0.002 each ("Subdivided Share(s)"), such that the authorised share capital of the Company becomes HK$400,000,000 divided into 200,000,000,000 Subdivided Shares of par value of HK$0.002 each. The Subdivided Shares rank pari passu in all respects with each other in accordance with the Memorandum and Articles of Association of the Company.

25. SHARE CAPITAL (continued)

(b) Capital management

The Group's equity capital management objectives are to safeguard the Group's ability to continue as a going concern and to provide an adequate return to shareholders commensurately with the level of risk. To meet these objectives, the Group manages the equity capital structure and makes adjustments to it in the light of changes in economic conditions by paying dividends to shareholders, issuing new equity shares, and raising or repaying debts as appropriate.

The Group's equity capital management strategy, which is unchanged from the previous periods, is to maintain a reasonable proportion in total debts and equity capital. The Group monitors equity capital on the basis of the debt-to-equity capital ratio, which is calculated as net debts over equity capital.

The only externally imposed capital requirement is that under the Listing Rules, the Company has to maintain the minimum public float requirement of which at least 25% of the issued Shares being held in public hands. Details of sufficiency of public float have been included in the paragraph headed "Sufficiency of Public Float" in the section headed "Report of the Directors" of this annual report.

26. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

(b) The Company

	Share premium HK$'000	Special reserve HK$'000	Convertible notes reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2014	488,569	112,369	100,000	(573,702)	127,236
Conversion of convertible notes (note 27)	74,094	–	(100,000)	–	(25,906)
Dividend declared and paid (note 12)	(56,386)	–	–	–	(56,386)
Loss and total comprehensive loss for the year	–	–	–	(3,130)	(3,130)
At 31 December 2014 and 1 January 2015	506,277	112,369	–	(576,832)	41,814
Dividend declared and paid (note 12)	(22,554)	–	–	–	(22,554)
Shares issued in lieu of dividend (note 25(a))	133	–	–	–	133
Profit and total comprehensive income for the year	–	–	–	561,736	561,736
At 31 December 2015	**483,856**	**112,369**	**–**	**(15,096)**	**581,129**

27. CONVERTIBLE NOTES

On 15 January 2008, the Company and Mr. Kan entered into a subscription agreement (the “Subscription Agreement”) pursuant to which the Company had conditionally agreed to issue and Mr. Kan had conditionally agreed to subscribe for the zero-coupon and non-redeemable convertible notes (the “Convertible Notes”) of the Company in an aggregate principal amount of HK$358 million. The conversion price is HK$0.0386 per Share. Assuming that the conversion rights attached to the Convertible Notes are exercised in full at the conversion price of HK$0.0386 per Share, an aggregate of 9,274,611,398 shares will be issued.

Completion of the Subscription Agreement took place on 13 February 2008 and the Convertible Notes were issued by the Company to Mr. Kan pursuant to the Subscription Agreement on the same date. The subscription price of the Convertible Notes of HK$358 million was satisfied in part of approximately HK$318 million by setting off the full amount of (i) the bank overdraft and borrowings of approximately HK$256 million and the debt of approximately HK$59 million due to a supplier which had been assigned to Mr. Kan; and (ii) the loan of approximately HK$3 million advanced by Mr. Kan, against such amount of the subscription price of the Convertible Notes on a dollar for dollar basis. The remaining balance of the subscription price of approximately HK$40 million was settled in cash, which was used as general working capital of the Group. The maturity date of the conversion rights attached to the Conversion Notes was 13 February 2013, being the date falling on the fifth anniversary from the date of issue of the Convertible Notes. As the compulsory conversion of the outstanding principal amount of the Convertible Notes on the maturity date rendered the then issued Shares held in the public hands being less than the minimum public float as required under the Listing Rules, the maturity date of the conversion rights attached to the Convertible Notes was renewed automatically for successive term of one year to 13 February 2014.

Pursuant to a resolution of the board of the Company passed on 13 February 2014, Mr. Kan and the Company agreed that the exercise of the balance of conversion rights attaching to the Convertible Notes of HK$100,000,000 would be extended to 31 March 2014, accordingly, an aggregate of 2,590,673,575 shares were allotted and issued to Mr. Kan on 31 March 2014.

There was no outstanding amount of the Convertible Notes at 31 December 2015 and 2014.

28. COMMITMENTS

Operating lease commitment

The Group as lessees:–

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:–

	2015 **HK$'000**	2014 HK$'000
Within one year	**4,191**	914
In the second to fifth year inclusive	**4,993**	–
	9,184	914

Operating lease payments represent rentals payable by the Group for its office premises. The leases are negotiated for terms from five months to three years (2014: 3 years) and does not include contingent rentals. One of the leases is guaranteed by Mr. Kan.

28. COMMITMENTS (continued)

Capital commitment

At the end of the reporting period, the Group had outstanding capital commitments as follows:–

	2015 **HK$'000**	2014 HK$'000
Contracted but not provided for		
Plant and machinery	**72,338**	–
Capital contribution to subsidiaries	**1,732,174**	–
	1,804,512	–

29. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance for all qualifying employees in Hong Kong since December 2000. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. The Group's employer contributions vest fully with employees when contributed into the MPF Scheme. The only obligation of the Group with respect of the retirement benefits scheme is to make the required contributions under the MPF Scheme.

The total cost charged to the consolidated statement of profit or loss of approximately HK$95,000 (2014: HK$54,000) represents contributions paid and payable to the MPF Scheme by the Group at rate specified in the rules of the MPF Scheme. When there are employees who leave the defined contribution retirement benefits scheme prior to becoming fully vested in the contributions, the amount of the forfeited contributions will be used to reduce future contributions payable by the Group. At 31 December 2015 and 2014, no forfeited contributions were available to reduce the contributions payable in the future years.

The employees in the subsidiaries in the PRC are members of the state-managed retirement benefit schemes (the "Social Insurance Scheme") operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefit. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the Social Insurance Scheme.

The total cost charged to the consolidated statement of profit or loss of approximately HK$2,007,000 (2014: Nil) represents contributions paid and payable to the Social Insurance Scheme by the Group at rates specified in the rules of the Social Insurance Scheme.

30. RELATED PARTY TRANSACTIONS

(a) Apart from the information as disclosed in elsewhere in the consolidated financial statements, the Group had the following material transactions with its related parties during the year.

	Note	2015 HK$'000	2014 HK$'000
Purchase of held for trading investment from an executive Director and the substantial shareholder	(i)	–	87,603

Note:–

(i) This transaction falls within the definition of "Connected transaction" in Chapter 14A of the Listing Rules for the year ended 31 December 2014.

The Company entered into a loan facility agreement with Mr. Kan in relation to the provision of a standby facility of HK$360,000,000 to the Company by Mr Kan. At 31 December 2015, this facility had been utilised of HK$250,000,000 (2014: Nil).

(b) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:–

	2015 HK$'000	2014 HK$'000
Short-term benefits	11,131	704
Post-employment benefits	668	17
	11,799	721

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

These transactions do not fall within the definition of "connected transactions" in Chapter 14A of the Listing Rules.

31. BUSINESS COMBINATION

On 19 October 2015, the Group acquired 100% equity interests in Jin Hung Finance, a company incorporated in Hong Kong, at a cash consideration of HK$10.

The fair value of the identifiable assets and liabilities of the subsidiary acquired as at the date of acquisition is as follows:-

	HK$'000
Other receivables	167
Bank balances	2
Accruals	(49)
Amount due to a related company	(5)
	115
Gain on bargain purchase arising on acquisition	
Consideration for acquisition	–
Less: Fair value of identifiable net assets acquired	(115)
	(115)
Net cash inflow arising from business combination	
Cash consideration paid	–
Less: Cash and cash equivalents acquired	2
	2

The Group recognised a gain on bargain purchase of approximately HK$115,000 because the fair value of net assets acquired exceeded the purchase consideration.

The newly acquired business contributed the turnover and revenue of approximately HK$5,317,000 to the Group and contributed a profit of approximately HK$2,942,000 to the Group for the period between the date of acquisition and the date of disposal as set out in note 32 to the consolidated financial statements.

Had the acquisition been completed on 1 January 2015, the Group's turnover, revenue and profit for the year would be the same as Jin Hung Finance had no revenue between 1 January 2015 to the date of acquisition. The proforma financial information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been completed on 1 January 2015 nor is intended to be a projection of future results.

On 10 December 2015, the Group completed the disposal of its 39.58% equity interest of Key Fit, of which Jin Hung Finance is a wholly-owned subsidiary of Key Fit, at a total consideration of HK$809,000,000 (note 32).

32. DISPOSAL OF SUBSIDIARIES

Pursuant to the sale and purchase agreement dated 18 May 2015 and side letter agreement dated 3 September 2015 entered into between the Company and several third party purchasers, the Company agreed to dispose a portion of the issued share capital of Key Fit, which was a wholly-owned subsidiary of the Group, to the purchasers. The proceeds from such disposal were intended to be used for the development of the Group's LNG business, future potential investments and general working capital of the Group. On 10 December 2015, the Group completed the disposal of an aggregate of 277,054,799 shares of Key Fit, representing approximately 39.58% of the issued share capital of HK$700 million of Key Fit, for an aggregate consideration of HK$809,000,000 (the "Disposal").

32. DISPOSAL OF SUBSIDIARIES (continued)

Subsequent to the Disposal, the Company held 60.42% of the issued share capital of Key Fit and two new directors were appointed. The composition of the board of directors was changed thereon. Only a director, Mr. Kan is nominated by the Company that represents one-third voting power in the board of directors of Key Fit, and the Company considered loss of control over the board of directors of Key Fit. Accordingly, Key Fit ceased to be a subsidiary of the Group and then become an associate of the Group.

The carrying amount of the net assets de-recognised in respect of Key Fit and its subsidiaries were as follows:–

	2015 HK$'000
Carrying amount of the net assets de-recognised:	
Property, plant and equipment	11,350
Prepayments, deposits and other receivables	8,575
Amounts due from fellow subsidiaries	62,589
Loan receivables	177,088
Cash and bank balances	815,338
Accrued charges and other payables	(2,079)
Amount due to a shareholder	(10,630)
Amounts due to fellow subsidiaries	(55,303)
Income tax payable	(582)
	1,006,346
Consideration received:	
Cash consideration	809,000
Gain on disposal of subsidiaries to become associates:	
Consideration received	809,000
Carrying amount of net assets de-recognised	(1,006,346)
Investment retained in the former subsidiary at fair value	608,042
Reversal of impairment loss recognised in respect of amounts due from fellow subsidiaries	(1,117)
	409,579

Analysis of net outflow of cash and cash equivalents in respect of the Disposal:–

	2015 HK$'000
Cash consideration	809,000
Cash and cash equivalents disposed of	(815,338)
Net outflow of cash and cash equivalents	(6,338)

The Group recognised a gain of approximately HK$409,579,000 as a result of recognising the remaining interest retained in the former subsidiary at fair value at the date when control is lost. The gain is included in the consolidated statement of profit or loss for the year.

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Investments in subsidiaries

	2015 HK$'000	2014 HK$'000
Unlisted shares, at cost	**40,000**	40,000

Particulars of the Company's principal subsidiaries at 31 December 2015 are as follows:–

Name of subsidiary	Place of Incorporation/ establishment and operation	Issued and fully paid share capital/registered capital	Attributable equity interest held by the Company Directly	Indirectly	Principal activities
ACE Vantage Investments Limited	Hong Kong	HK$1	100%	–	Property investment
Strong Mix Limited	Hong Kong	HK$1	100%	–	Property investment
Smart Look Limited	Hong Kong	HK$1	100%	–	Property investment
China LNG Limited	Hong Kong	HK$40,000,000	100%	–	Investment holding
港能綠恩格設備租賃服務(上海)有限公司(formerly known as 宏勢投資管理(上海)有限公司) (Great Trend Investment Management (Shanghai) Co., Ltd.) ("Great Trend")*	PRC	US$10,000,000 (Paid up US$2,136,000)	–	100%	LNG vehicles services and new energy related business
港能國際融資租賃有限公司 (China LNG finance Leasing Co., Ltd.) ("CLNG Finance")*	PRC	US$165,000,000 (Paid up US$48,000,000)	–	100%	Finance leasing services for LNG vehicles and equipment
港能投資(上海)有限公司 (Ching LNG Investment Co., Ltd.) ("CLNG Investment")*	PRC	US$100,000,000 (Paid up US$10,800,000)	–	100%	Investment holding
港強天然氣上海有限公司 (Gangqiang Natural Gas Shanghai Co., Ltd.) ("Gangqiang")#	PRC	RMB$100,000,000 (Paid up RMB$15,000,000)	–	60%	Development and operation of oil-to-gas conversion and LNG refuelling facilities on floating barges, development of LNG related technologies, operation of LNG refuelling stations, trading of gas Ignition equipment, and the development and utilisation of new energy sources

None of the subsidiaries had issued any debt securities at the end of the year.

* Great Trend, CLNG Finance and CLNG Investment are wholly foreign owned enterprises.

Gangqiang is registered as a cooperative joint venture under the PRC law.

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

The following table lists out the information relating to Gangqiang, the only subsidiary of the Group which has material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2015
NCI Percentage	40%

	2015 HK$'000
Gross amount	
Current assets	11,858
Non-current assets	5,975
Current liabilities	(36)
Net assets	17,797
Reconciliation	
Gross amount of equity	17,797
Contributed share capital by the Group	(17,906)
	(109)
NCI Percentage	40%
Carrying amount of NCI	(43)

	2015 HK$'000
Gross amount	
Revenue	–
Loss for the year	(113)
Other comprehensive income for the year	4
Total comprehensive loss for the year	(109)
Loss allocated to NCI	(43)
Cash flows used in operating activities	(539)
Cash flows used in investing activities	(6,222)
Cash flows from financing activities	18,671

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The statement of financial position of the Company at 31 December 2015 is as follows:–

	Note	**2015** **HK$'000**	2014 HK$'000
Non-current assets			
Investments in subsidiaries	33	**40,000**	40,000
Interest in an associate		**422,945**	–
		462,945	40,000
Current assets			
Amounts due from subsidiaries		**439,903**	91,289
Amount due from an associate		**46,086**	–
Prepayments		**1,188**	726
Bank balances		**335**	22,887
		487,512	114,902
Current liabilities			
Amounts due to subsidiaries		**204**	204
Accrued charges and other payables		**6,354**	115
Amount due to a shareholder		**250,000**	–
		256,558	319
Net current assets		**230,954**	114,583
Net assets		**693,899**	154,583
Capital and reserves			
Share capital	25(a)	**112,770**	112,769
Reserves	26	**581,129**	41,814
Shareholders' funds		**693,899**	154,583

35. MAJOR NON-CASH TRANSACTION

Purchase of plant and equipment of approximately HK$10,500,000 was settled by a shareholder of the Company during the year.

36. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets subject to offsetting, enforceable netting arrangements:

	As at 31 December 2015				
	Gross amounts of recognised financial assets HK$'000	**Gross amounts of recognised financial liabilities HK$'000**	**Net amounts of financial liabilities HK$'000**	**Cash received/ (paid) as settlement HK$'000**	**Net amount of financial liabilities presented in the consolidated statement of financial position HK$'000**
Amount due from/(to) an associate	**55,303**	**(63,706)**	**(8,403)**	**–**	**(8,403)**

	As at 31 December 2014				
	Gross amounts of recognised financial assets HK$'000	Gross amounts of recognised financial liabilities HK$'000	Net amounts of financial assets HK$'000	Cash received/ (paid) as settlement HK$'000	Net amount of financial assets presented in the consolidated statement of financial position HK$'000
Amount due from/(to) an associate	–	–	–	–	–

The Group has entered into the netting arrangements with Key Fit for the amount due from/(to) an associate.

37. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

(i) On 1 August 2015, the Group and several vendors ("the Vendors") entered into an acquisition agreement, pursuant to which the Group has conditionally agreed to purchase and the Vendors have conditionally agreed to sell, a total of 51% equity interest in 上海亞東盛進出口有限公司 (Shanghai Asian Development Prosperous Import & Export Company Limited*) (the "Target Company", together with its subsidiaries, the "Target Group"), a company established under the laws of PRC with limited liability, for a total consideration of RMB18,000,000 ("Acquisition"). The consideration will be settled by the Company in full in cash.

The Target Group is principally engaged in the provision of business advisory and supply chain management services and the trading of different types of merchandise including automobiles, food products and cosmetic products from well-known international brands.

Completion of the acquisition is conditional upon fulfilment of all the conditions precedent under the acquisition Agreement. Upon completion, members of the Target Group will become non-wholly-owned-subsidiaries of the Group and the results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group. Details of the above are set out in the announcement of the Company dated 11 August 2015.

On 29 February 2016, the "Very substantial acquisition-Delay in despatch of circular and extension of long stop date" was further published by the Group in relation to the above very substantial acquisition. Details of the above are set out in the announcements of the Company dated 27 October 2015, 15 December 2015 and 29 February 2016.

(ii) On 23 November 2015, the Company received the approval from CNOOC Gas & Power Groups Co., Limited ("CNOOC Gas & Power Group"), pursuant to which the Company agreed to purchase 40% equity interests in each of CNOOC (Shanghai) Traffic New Energy Co., Limited ("CNOOC Shanghai Ltd") and CNOOC (Bengbu) Traffic New Energy Co., Limited ("CNOOC Bengbu Ltd").

CLNG Investment (Shanghai) Co., Limited ("CLNG Investment"), a wholly-owned subsidiary of the Company and Shanghai Heyin Energy Investment Co., Limited ("Heyin Ltd") entered into the First Share Transfer Agreement, pursuant to which, CLNG Investment has conditionally agreed to purchase and Heyin Ltd has conditionally agreed to sell, 40% equity interests in CNOOC Shanghai Ltd for a total consideration of RMB3,600,000. CLNG Investment and Fengyang Zhonghao New Energy Investment Co., Limited ("Zhonghao Ltd") entered into the Second Share Transfer Agreement, pursuant to which, CLNG Investment has conditionally agreed to purchase and Zhonghao Ltd has conditionally agreed to sell, 40% equity interests in CNOOC Bengbu Ltd for a total consideration of RMB3,600,000. The First and Second Consideration will be settled by CLNG Investment in full in cash.

CNOOC Shanghai Ltd and CNOOC Bengbu Ltd are principally engaged in the sales and distribution of LNG diesel and oil products. The acquisition will enable the Group to expand its refuelling station network. Upon completion, CNOOC Shanghai Ltd and CNOOC Bengbu Ltd will become associates of the Group.

Financial Summary

	For the year ended 31 December				
	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015** **HK$'000**
RESULTS					
Revenue	2,751	21,864	24,831	357,893	**30,847**
Profit before taxation	6,352	21,284	22,474	351,389	**401,571**
Taxation	(199)	(1,213)	(1,874)	(57,657)	**(557)**
Profit for the year	6,153	20,071	20,600	293,732	**401,014**
Attributable to:–					
Equity shareholders of the Company	6,153	20,071	20,600	293,732	**401,059**
Non-controlling interests	–	–	–	–	**(45)**
Profit for the year	6,153	20,071	20,600	293,732	**401,014**
	Restated	Restated	Restated	Restated	
Earnings per share (HK cents)					
Basic	0.02	0.05	0.05	0.55	**0.71**

	At 31 December				
	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015** **HK$'000**
ASSETS AND LIABILITIES					
Total assets	240,020	253,584	256,551	549,329	**1,122,619**
Total liabilities	(688)	(1,857)	(1,596)	(57,028)	**(274,748)**
Shareholders' funds	239,332	251,727	254,955	492,301	**847,871**

Group's Properties

Properties held for investment

Location	Existing use	Term of lease
Flat A, 10/F, Tower 2, Tregunter, No.14 Tregunter Path, Hong Kong with car parking space No. 59 on Level 7 of Tower 1 and 2	Residential	Medium
Flat A, 1/F, Tower 3, No. 37 Repulse Bay Road, Hong Kong with car parking space No. 61 on Podium Level 4	Residential	Long