大中華實業控股有限公司

GREATER CHINA HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

Stock Code: 431

Annual Report 2014

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Corporate Information

Executive Directors

Ms. Ma Xiaoling *(Chairman)*
Ms. Chan Siu Mun

Non-executive Directors

Mr. Joseph, Shie Jay Lang
Mr. Chen Ningdi

Independent Non-executive Directors and Audit Committee

Mr. Ching Men Ky, Carl
Mr. Lin Ruei Min
Mr. Shu Wa Tung, Laurence

Company Secretary

Ms. Chan Siu Mun

Auditor

HLM CPA Limited
Certified Public Accountants

Principal Bankers

Bank of China
Shanghai Pudong Development Bank Company Limited
Taicang Rural Commercial Bank

Legal Advisors

Iu Lai & Li Solicitors & Notaries

Head Office and Principal Place of Business

Rooms 1013 & 15, 10/F
Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Share Registrars and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

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

Stock Code

431

Website

http://www.irasia.com/listco/hk/greaterchina/index.htm

Chairman's Statement

On behalf of the board of directors (the "Board") of Greater China Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I would like to present the annual report for the year ended 31 December 2014.

Review of Operations

The year of 2014 was full of challenges and opportunities. The warehouse storage operation remains stable with slight growth as a result of the annual adjustment at the rate of rent. However, the trading business is still struggling to improve its profitability. The management will continue to monitor both operations closely in order to broaden the income stream by offering additional services in the warehouse operation and exploring different opportunity to improve the trading operation.

During the year, the management worked very closely to reduce the overall debt position of the Group by controlling the administrative costs and disposing of the office premises in Beijing, the PRC. As a result, the total bank borrowings was reduced significantly and the financial position of the Group is improved.

Prospects

During the year, the Board has determined to enter into the pawn shop business in Shanghai, the PRC, by acquiring a company engaged in such business via a VIE contract arrangement. The acquisition was completed in early 2015 which marks a new era of the Group to diversify its business to the rapidly growing pawn shop business in the PRC. The acquisition is expected to contribute positively to the turnover as well as net profit of the Group.

The Group has also acquired a 25% equity interest in a joint venture engaged in financial leasing service in Shanghai, the PRC. The management believes that the Group will be able to benefit from entering into the quasi-financial segment in the PRC with enormous growth potential.

At the same time, the Group has also completed the disposal of the parcel of land with total site area approximately 200,000 square meters in Taicang City, Jiangsu Province, the PRC in early 2015 at a total consideration of RMB137,000,000 (approximately HK$171,250,000) and the proceeds were received in full. The disposal further improved the financial position of the Group and the management will continue to identify suitable projects with the aim to maximize the overall profitability of the Group.

Appreciation

On behalf of the Board, I would like to take this opportunity to thank our staff for their diligence, dedication, loyalty and integrity towards the Group. I would also like to express my gratitude to our shareholders, customers and other business partners for their trust and continued support to the Group.

Ma Xiaoling
Chairman
Hong Kong

19 March 2015

Management Discussion and Analysis

BUSINESS REVIEW

For the year ended 31 December 2014, turnover of the Group amounted to HK$55,133,000 (2013: HK$32,963,000) which comprised of revenue from general trading segment of HK$42,158,000 (2013: HK$21,434,000) and revenue from industrial property development segment of HK$12,975,000 (2013: HK$11,529,000).

The general trading operation was gradually resumed in the second half of 2014. However, due to the continued slow down of the economy in the PRC which led to a weak demand for raw materials, the Group has started trading of products such as projectors and the operation is still struggling to improve the overall profitability. As a result, a segment loss of HK$3,679,000 is incurred for the current year (2013: HK$2,636,000).

The industrial property development operation, on the other hand, remained stable with slight increase due to the annual upward adjustment in the rate during the year. Following the upward adjustment of the rental rate of the warehouse, the overall margin of the operation is improved which together with the reduction in finance cost during the year, contributed to the reduction in the segment loss from HK$20,061,000 for the year ended 31 December 2013 to a segment loss of HK$17,766,000 for the year ended 31 December 2014.

The loss for the year of the Group was reduced from HK$30,125,000 for the year ended 31 December 2013 to HK$19,394,000 for the year ended 31 December 2014.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2014, the Group has current ratio of approximately 0.93 (2013: 0.55) and the gearing ratio of the Group was 0.66 (2013: 1.76). The calculation of gearing ratio was based on the total borrowings of HK$72,034,000 (2013: HK$230,155,000) and the equity attributable to owners of HK$109,465,000 (2013: HK$130,903,000).

During the year, the Group has disposed of the office building situated in Beijing, the PRC and the proceeds have been used to reduce the bank borrowing partially. In addition, the Group also negotiated actively with the banks to revise the terms of the bank borrowing which all contributed to the improvement in the financial position of the Group.

There is no capital commitment in respect of the acquisition and construction of property, plant and equipment for the year (2013: HK$2,893,000).

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly in Hong Kong dollars and Renminbi.

PROSPECTS

For the industrial property development segment, the operation is expected to remain stable with gradual growth and the management will continue to look for opportunities to provide additional value-added services to the customers in order to broaden the income stream from the operation.

The business environment of the general trading is still slow with keen competition. The management will be very conscious in the development of the market environment with the aim to improve the profitability of the segment.

In January 2015, the Group has entered into agreements to dispose of the entire equity interests of two subsidiaries which together own a parcel of land with total site area of approximately 200,000 square meters in Taicang City, Jiangsu Province, the PRC at an aggregate amount of RMB137,000,000 (approximately HK$171,250,000). Details of the disposal is disclosed in the circular of the Company dated 26 January 2015. The disposal was completed in late February 2015.

A placing of 59,600,000 placing shares of the Company at HK$2.00 per share is also completed in January 2015, bringing in a net proceeds of approximately HK$116,816,000 to the Group.

As a result of the completion of the disposal of land and the placing of shares, the financial position of the Group has been positively improved which allows the Group to further reduce the debt position to a more healthy level and at the same time equipped the Group with sufficient financial resources to future expansion should potential investment projects exist.

During the year, the Company has entered into an agreement to acquire the entire interest of a group of companies which principally engaged in the pawnshop business in Shanghai, the PRC via the VIE contract arrangement at a consideration of HK$150,000,000 by way of issue of the convertible notes. Details of the transaction are disclosed in the circular of the Company dated 24 December 2014. The transaction was completed in January 2015 which marked the milestone of the Group to enter into the high growing quasi-financial industry in the PRC.

Management Discussion and Analysis

In March 2015, Champion Well (an indirect wholly owned subsidiary of the Company) entered into an agreement to acquire the 25% equity interest in a joint venture company (the "JV") in Shanghai, the PRC at a cash consideration of RMB100,000 (HK$125,000) and shall make the capital contribution in an amount of RMB52,500,000 (approximately HK$65,625,000) within one year from the date of the issuance of the new business licence by the relevant PRC government authority. The JV is principally engaged in financial leasing service and provision of consultation and guarantee of leasing transactions. The completion of the acquisition will be a solid foundation for the Company to establish a diversified and comprehensive quasi-financial platform which is a growth sector in the PRC.

The lack of financing conduits has been a major bottleneck that restricts the development of small and medium enterprises in the PRC over the past years. Recently, a new financing industry that is formed by a number of quasi-financial institutions has broadened the financing conduits of the small and medium enterprises. The quasi-financial sector is at the early development stage in the PRC which has an enormous room for development. In 2013, the penetration rate was only around 4% in the financial leasing industry in the economic sectors of the PRC, while in some developed countries the rate is around 30% to 40%. For pawnshop operations, the pawn loan industry advanced an aggregate of RMB369.21 billion of pawn loans in 2014, representing a year-on-year growth rate of 16.6%. We believe that the quasi-financial industry will become increasingly important in the PRC financing market in near future.

The year 2015 will be a year full of opportunities and challenges. The Group will continue to optimize its business structure, strengthen the management and control system, proactively explore innovation in the business models of quasi-financial sector to enhance the competitiveness of the Group and developmental strength and achieve long term sustainable growth.

CHARGES ON ASSETS

As at 31 December 2014, prepaid lease payments, warehouse and bank deposits with the aggregate carrying amounts of HK$107,052,000 (2013: HK$85,420,000), HK$133,469,000 (2013: HK$142,475,000) and HK$37,912,000 (2013: HK$88,765,000) respectively were pledged against bank loans.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2014.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group has approximately 30 employees. Remuneration is determined by reference to their respective qualifications and experience and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

Biographical Details of Directors

Executive Directors

Ms. Ma Xiaoling, aged 39, is the Chairman of the Company since July 2005. Ms. Ma graduated from Lanzhou Commercial College in the People's Republic of China (the "PRC") in 1998 majoring in International Trade and obtained a Bachelor Degree in Economics. Ms. Ma has over 10 years of experience in property development and investments in the PRC and Hong Kong. Ms. Ma is the sole director and beneficial owner of Keenlead Holdings Limited, which is the controlling shareholder of the Company.

Ms. Chan Siu Mun, aged 40, was appointed as an executive director of the Company since March 2008. Ms. Chan holds a Bachelor of Business Administration (Accounting and Finance) degree from the University of Hong Kong. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Chan has over 15 years of experience in auditing, accounting and financial management. Before joining the Company, she worked in an international professional audit firm and a number of listed companies.

Non-executive Directors

Mr. Joseph Shie Jay Lang, aged 28, was appointed as a non-executive director on 21 January 2015. Mr. Lang is an American entrepreneur based in China. Mr. Lang was graduated from the University of Michigan in 2009. He is the founder, director and Chief Executive Officer of the Shanghai WFOE and is in charge of its overall business operations and development. Mr. Lang is also the co-founder of the China-based secondary market hedge fund, the 'Lang Fund'.

Mr. Lang is also the director of the newly acquired subsidiaries, Key Victory and Oriental Credit. He is also the general manager of 上海新盛典當有限公司.

Mr. Chen Ningdi, aged 36, was appointed as a non-executive director on 13 February 2015. Mr. Chen has over 14 years of experience in global financial industry. He is the chairman and responsible officer of Asiabiz Capital (HK) Limited, a licensed corporation under the Securities and Futures Commission in Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 6 (Advising on Corporate Finance) regulated activities. Mr. Chen was an executive director and founding member of Great China Strategic Capital and Primus Pacific Partners, both of which are private equity firms. Mr. Chen previously worked for HSBC Global Investment Banking in Hong Kong, Equity-Linked Capital Markets of HSBC Group in London, HSBC Debt Markets Client Group in Hong Kong and Shenyin & Wanguo Securities in Shanghai. Mr. Chen holds a Bachelor Degrees (Hons) in both Economics and Statistics from the University of Chicago.

Biographical Details of Directors

Independent Non-executive Directors

Mr. Ching Men Ky, Carl, aged 70, appointed in August 2005 and serves on the Audit Committee of the Company, graduated from Tak Ming College with a Bachelor Degree in Business and was awarded with an Honorable Doctorate Degree from Beijing International Business School in the PRC. Mr. Ching has years of experience in business management. He has also been participating in various social activities and has been acting as the director of United World Chinese Association Limited and the director of Asian Professional Basketball Management and Development Company Limited.

Mr. Lin Ruei Min, aged 71, appointed in August 2005 and serves on the Audit Committee of the Company, graduated from the Department of Politics of Fu Hsing Kang College in Taiwan. Mr. Lin is currently the Chief Consultant of an asset management consultant company in Taiwan. He is the founder of Taiwan branch of United World Chinese Association Limited.

Mr. Shu Wa Tung, Laurence, aged 42, appointed in August 2005 and serves on the Audit Committee of the Company, graduated from Deakin University in Australia with a Bachelor Degree in Business majoring in Accounting. Mr. Shu is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a CPA member of CPA Australia. He has over 10 years of experience in audit, corporate finance and corporate advisory services. Mr. Shu was an independent non-executive director of Perception Digital Holdings Limited, a company listed on the Main Board of the Stock Exchange, from 18 September 2009 to 7 May 2013, and HL Technology Group Limited, a company listed on the Main Board of the Stock Exchange from 25 October 2010 to 29 May 2013.

Corporate Governance Report

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all shareholders. The Company has always recognised the importance of the transparency and accountability towards the shareholders. It is the belief of the Board that shareholders can maximise their benefits from good corporate governance.

Code on Corporate Governance Practices

During the year under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, except for the following deviations:

– Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

  Ms. Ma Xiaoling ("Ms. Ma") is the chairman and chief executive officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conductive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Ms. Ma and believes that her appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Company.

– Code A.5 stipulates that a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of directors.

  The Board as a whole is responsible for the appointment of its own members. The Board does not establish a nomination committee and is not considering to establish the same in view of the small size of the Board. The chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidate recommended by the chairman and make recommendation of the appointment, re-election and retirement of the directors. Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company.

Corporate Governance Report

The Board

The Board comprises two executive directors, being Ms. Ma Xiaoling (Chairman), and Ms. Chan Siu Mun, two non-executive directors, being Mr. Joseph, Shie Jay Lang and Mr. Chen Ningdi and three independent non-executive directors, being Mr. Ching Men Ky Carl, Mr. Lin Ruei Min and Mr. Shu Wa Tung Laurence.

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence across the Board.

The non-executive directors and the independent non-executive directors are persons of high caliber with academic and professional qualifications in the area of accounting, financial, management and various business field which provide the Group with a wide range of valuable expertise. With their experience gained from senior positions held in other organisations, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

The Company has received an annual confirmation of independence from each of the independent non-executive directors. The Company is of the view that all the independent non-executive directors meet the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules.

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances, but the day-to-day management is delegated to the two executive directors, Ms. Ma Xiaoling and Ms. Chan Siu Mun. Ms. Ma as Chairman and Chief Executive Officer heads the Board and implements the strategies and policies approved by the Board whilst Ms. Chan is responsible for the operations of the Group, in particular the finance function.

The list of directors of the Company and their roles and functions is posted on the website of the Company and the Stock Exchange.

Directors' Training and Professional Development

The Company is responsible for arranging and funding suitable training for the directors and individual directors also participated in courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or via online aids or reading relevant materials. The company secretary of the Company continuously updates all directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

Board Meeting

The Board held 4 meetings during the year of 2014. The individual attendance record is as follows:

Directors	Number of attendance
Executive directors:	
Ms. Ma Xiaoling	4/4
Ms. Chan Siu Mun	4/4
Non-executive directors:	
Mr. Chan Sze Hon	4/4
Mr. Joseph Shie Jay Lang	N/A (Note)
Mr. Chen Ningdi	N/A (Note)
Independent non-executive directors:	
Mr. Ching Men Ky, Carl	4/4
Mr. Lin Ruei Min	4/4
Mr. Shu Wa Tung, Laurence	4/4

Note: Both Mr. Joseph Shie Jay Lang and Mr. Chen Ningdi were appointed in 2015.

Directors have timely access to relevant information prior to each board meeting. Directors are given the opportunity to include matters in the agenda for regular board meetings while Directors are entitled to have access to board papers and related materials to allow them to make informed decisions on matters arising from board meetings.

Minutes of board meetings and meetings of other committees are kept by the Company Secretary and are open for inspection by directors.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all directors whether the directors have complied with the required standard set out in the Model Code regarding directors' securities transactions and all directors confirmed that they have complied with the Model Code.

Corporate Governance Report

Audit Committee

The Company has established an audit committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. The audit committee of the Company currently comprises three independent non-executive directors, including Mr. Ching Men Ky, Carl ("Mr. Ching"), Mr. Lin Ruei Min ("Mr. Lin") and Mr. Shu Wa Tung, Laurence ("Mr. Shu"). The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2014.

The audit committee meets twice during the year. The individual attendance record is as follows:

Directors	Number of attendance
Mr. Ching Men Ky, Carl	2/2
Mr. Lin Ruei Min	2/2
Mr. Shu Wa Tung, Laurence	2/2

Remuneration Committee

The Board has established a remuneration committee. The remuneration committee, currently comprising executive directors, Ms. Ma and Ms. Chan Siu Mun, and independent non-executive directors, Mr. Ching, Mr. Lin and Mr. Shu, is responsible for advising the Board on the remuneration policy and framework of the Company's directors and senior management members, as well as review and determine the remuneration of all executive directors and senior management members with reference to the Company's objectives from time to time.

Auditor's Remuneration

For the year ended 31 December 2014, the fees in respect of the audit and non-audit services provided to the Group by the Company's auditor, HLM CPA Limited, amounted to HK$600,000 and HK$400,000, respectively. The non-audit services mainly consist of interim review and other reporting services.

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2014.

Principal Activities

The Company acts as an investment holding company and provides corporate management services to its subsidiaries. The activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss and other comprehensive income on page 20.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: nil).

Five Year Financial Summary

A Summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 92 of the annual report.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

Share Capital

Details of the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

Purchase, Sale and Redemption of the Listed Securities

During the year, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Major Customers and Suppliers

The aggregate sales attributable to the Group's largest customer and the five largest customers accounted for approximately 76% and 100% of the Group's total revenue for the year respectively. The largest supplier and the five largest suppliers accounted for approximately 100% and 100% of the Group's purchases respectively.

None of the directors, their associates, or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in any of the Group's five largest suppliers or customers.

Directors

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

Executive Directors:

Ms. Ma Xiaoling *(Chairman)*
Ms. Chan Siu Mun

Non-executive Directors:

Mr. Joseph, Shie Jay Lang (appointed on 21 January 2015)
Mr. Chen Ningdi (appointed on 13 February 2015)
Mr. Chan Sze Hon (resigned on 30 January 2015)

Independent Non-executive Directors:

Mr. Ching Men Ky, Carl
Mr. Lin Ruei Min
Mr. Shu Wa Tung, Laurence

In accordance with clauses 99(A) and 99(B) of the Company's Bye-laws, Mr. Joseph, Shie Jay Lang, Mr. Chen Ningdi and Mr. Ching Men Ky, Carl will retire and, being eligible, offer themselves for re-election.

All directors (including non-executive director and independent non-executive directors) are subject to retirement by rotation in accordance with the Company's Bye-laws.

Directors' Service Contracts

No directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Shares

As at 31 December 2014, the interests of the directors and chief executive of the Company in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which the director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long positions

Name	Nature of interest	Number of shares held	Percentage to issued share capital
Ms. Ma Xiaoling	Corporate interests (Note)	120,212,256	40.09%

Note: Ms. Ma Xiaoling is the beneficial owner of the entire issued share capital of Keenlead Holdings Limited, which owned 120,212,256 shares in the Company as at 31 December 2014.

Save as disclosed above, as at 31 December 2014, none of the directors and chief executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) 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 the interests and short positions which the director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme as disclosed in note 30 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Interests of Substantial Shareholders

So far as is known to the directors, as at 31 December 2014, the following shareholders had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Name	Note	**No. of shares held**	**Percentage to issued share capital**
Keenlead Holdings Limited	1	120,212,256	40.09%
Ms. Ma Xiaoling	1	120,212,256	40.09%

Note:

1. The entire issued share capital of Keenlead Holdings Limited is wholly and beneficially owned by Ms. Ma Xiaoling.

Save as disclosed above, the Company has not been notified of any other shareholders who had any interest or short position in the shares and underlying shares of the company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company as at 31 December 2014.

Emolument Policy

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

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

The Company has adopted a share option scheme as an incentive to the directors and eligible employees, details of the scheme is set out in note 30 to the consolidated financial statements.

Pre-emptive Rights

There are no provision for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 December 2014.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2014 have been audited by Messrs. HLM CPA Limited. A resolution for their reappointment as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Ma Xiaoling
Chairman

Hong Kong, 19 March 2015

Independent Auditor's Report

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

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TO THE MEMBERS OF GREATER CHINA HOLDINGS LIMITED
大中華實業控股有限公司
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Greater China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 20 to 91, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 of the Company 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, in accordance with Section 90 of the Bermuda Companies Act, 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.

Independent Auditor's Report

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 state of affairs of the Group as at 31 December 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which indicates that the Group's current liabilities exceeded its current assets by HK$10,558,000 and the Group incurred a loss of HK$19,394,000 and had net cash outflow from operating activities of HK$5,315,000 for the year ended 31 December 2014. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As explained in note 2 to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis.

HLM CPA Limited
Certified Public Accountants
HO PAK TAT
Practising Certificate Number: P05215
Hong Kong

19 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	8	**55,133**	32,963
Cost of sales		**(42,090)**	(21,544)
Gross profit		**13,043**	11,419
Other income	10	**2,582**	3,977
Other gains and losses	11	**1,516**	285
Selling and distribution costs		**–**	(659)
Administrative and other operating expenses		**(31,391)**	(29,416)
Finance costs	12	**(13,365)**	(15,731)
Loss before taxation		**(27,615)**	(30,125)
Income tax credit	13	**8,221**	–
Loss for the year		**(19,394)**	(30,125)
Other comprehensive (expense) income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(904)**	3,645
Release of translation reserve upon disposal of a subsidiary		**(960)**	–
		(1,864)	3,645
Total comprehensive expense for the year		**(21,258)**	(26,480)
Loss for the year attributable to:			
Owners of the Company		**(19,575)**	(30,045)
Non-controlling interests		**181**	(80)
		(19,394)	(30,125)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(21,438)**	(26,407)
Non-controlling interests		**180**	(73)
		(21,258)	(26,480)
		HK cents	HK cents
Loss per share			
Basic and diluted	18	**(6.53)**	(10.02)

Consolidated Statement of Financial Position

At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	19	**133,775**	145,103
Prepaid lease payments	20	**27,952**	97,092
Deposits for acquisition of land use right	21	**–**	37,015
		161,727	279,210
Current assets			
Trade and other receivables	22	**2,803**	8,327
Prepaid lease payments	20	**799**	2,280
Prepayments and deposits	23	**672**	811
Pledged bank deposits	24	**–**	88,765
Bank balances and cash	24	**12,753**	9,106
		17,027	109,289
Assets classified as held for sale	25	**130,906**	–
		147,933	109,289
Current liabilities			
Trade payables	26	**–**	59
Other payables and accruals	26	**19,026**	18,928
Bank loans	27	**30,330**	173,092
Tax payables		**–**	8,258
		49,356	200,337
Liabilities directly associated with assets classified as held for sale	25	**109,135**	–
		158,491	200,337
Net current liabilities		**(10,558)**	(91,048)
Total assets less current liabilities		**151,169**	188,162

Consolidated Statement of Financial Position

At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current liability			
Bank loans	27	**41,704**	57,063
Net assets		**109,465**	131,099
Capital and reserves			
Share capital	28	**1,499**	1,499
Reserves		**107,966**	129,404
Equity attributable to owners of the Company		**109,465**	130,903
Non-controlling interests		**–**	196
Total equity		**109,465**	131,099

The consolidated financial statements on pages 20 to 91 were approved and authorised for issue by the Board of Directors on 19 March 2015 and are signed on its behalf by:

Ma Xiaoling
Director

Chan Siu Mun
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the Company						
	Share capital HK$'000	**Share premium** HK$'000	**Translation reserve** HK$'000	**Accumulated losses** HK$'000	**Sub-total** HK$'000	**Non-controlling interests** HK$'000	**Total** HK$'000
At 1 January 2013	1,499	379,281	33,583	(257,053)	157,310	269	157,579
Loss for the year	–	–	–	(30,045)	(30,045)	(80)	(30,125)
Other comprehensive income							
– Exchange differences on translation of foreign operations	–	–	3,638	–	3,638	7	3,645
Total comprehensive expense for the year	–	–	3,638	(30,045)	(26,407)	(73)	(26,480)
At 31 December 2013 and 1 January 2014	1,499	379,281	37,221	(287,098)	130,903	196	131,099
Loss for the year	–	–	–	(19,575)	(19,575)	181	(19,394)
Other comprehensive expense							
– Exchange differences on translation of foreign operations	–	–	(904)	–	(904)	–	(904)
– Release of translation reserve upon disposal of a subsidiary	–	–	(959)	–	(959)	(1)	(960)
Total comprehensive expense for the year	–	–	(1,863)	(19,575)	(21,438)	180	(21,258)
Release of non-controlling interests arising on disposal of a subsidiary	–	–	–	–	–	(376)	(376)
At 31 December 2014	**1,499**	**379,281**	**35,358**	**(306,673)**	**109,465**	**–**	**109,465**

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Operating activities			
Loss before taxation		**(27,615)**	(30,125)
Adjustments for:			
Amortisation and depreciation		**11,017**	11,036
Finance costs	12	**13,365**	15,731
Impairment loss on other receivables	11	**2,670**	–
Gain on disposal of a subsidiary	11	**(3,932)**	–
Gain on disposal of property, plant and equipment	11	**–**	(285)
Interest income	10	**(2,202)**	(3,970)
Net foreign exchange gain	11	**(195)**	–
Write back of other payable	11	**(59)**	–
Operating cash flows before movements in working capital		**(6,951)**	(7,613)
Increase in inventories		**(3,632)**	–
(Increase) decrease in trade and other receivables		**(2,456)**	20,581
Decrease in prepayments and deposits		**138**	2,656
Decrease in trade payables		**(59)**	(35)
Increase in other payables and accruals		**21,122**	7,715
Decrease in bills payables		**–**	(90,477)
Cash generated from (used in) operations		**8,162**	(67,173)
Interest paid		**(13,477)**	(15,324)
Net cash used in operating activities		**(5,315)**	(82,497)
Investing activities			
Interest received		**1,786**	1,333
Purchase of property, plant and equipment		**(7)**	–
Proceeds from disposal of property, plant and equipment		**–**	2,854
Refund of deposits for acquisition of land use right		**37,015**	–
Addition of prepaid lease payment		**(23,955)**	–
Withdrawal (placement) of pledged bank deposits		**50,983**	(43,863)
Net cash inflow from disposal of a subsidiary		**9,970**	–
Net cash generated from (used in) investing activities		**75,792**	(39,676)

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Financing activities			
Proceeds from borrowings		**189,977**	259,992
Repayment of borrowings		**(252,461)**	(139,048)
Net cash (used in) generated from financing activities		**(62,484)**	120,944
Net increase (decrease) in cash and cash equivalents		**7,993**	(1,229)
Cash and cash equivalents at 1 January		**9,106**	8,046
Effects of foreign exchange rate changes		**(919)**	2,289
Cash and cash equivalents at 31 December		**16,180**	9,106
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash	24	**16,180**	9,106

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent and ultimate holding company is Keenlead Holdings Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Ms. Ma Xiaoling, who is also the chairman and executive director of the Company. The address of the Company's registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is located at Rooms 1013 and 15, 10th Floor, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

The Group is principally engaged in investment holding, industrial property development and general trading of metal materials and electronic products etc.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that:

- the Group's current liabilities exceeded its current assets by HK$10,558,000 as at 31 December 2014 and the Group incurred a loss of HK$19,394,000 and had net cash outflows from operating activities of HK$5,315,000 for the year ended 31 December 2014; and

- amongst the total bank borrowings of HK$72,034,000 as at 31 December 2014, bank borrowings of HK$30,330,000 as at 31 December 2014 are due for repayment within one year from 31 December 2014.

2. BASIS OF PREPARATION (Continued)

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration of the followings:

(i) on 14 January 2015, the Group entered into sale and purchase agreements to dispose of the entire interests in Keycharm Investments Limited ("Keycharm") and Toobright Limited ("Toobright") at the cash considerations of approximately HK$146,778,000 (RMB117,423,000) and approximately HK$24,472,000 (RMB19,577,000) respectively. The aggregate considerations were fully received in early March 2015; and

(ii) on 9 January 2015, the Company entered into a placing agreement with the placing agent in relation to procure not less than six placee(s) who are independent third parties to subscribe up to 59,969,422 placing shares at a price of HK$2.00 per placing share. The completion took place on 27 January 2015 and 59,600,000 placing shares were allotted and issued. The aggregate net proceeds of the placing amounting to approximately HK$116,816,000, after deducting the expenses incurred in the placing, were received in January 2015.

In view of the foregoing and after having considered the validity of the Group's ability to generate operating profits and positive cash flows and to dispose of certain of its assets, the directors believe that the Group will have adequate financial resources for its working capital requirements for the ensuing year. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

New and revised HKFRSs affecting amounts reported and/or disclosures in the consolidated financial statements

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

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

The application of the above amendments to HKFRSs and new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[4]
HKFRS 9	Financial Instruments[6]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
3 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The directors of the Company anticipate that the application of these new and revised standards and amendments will have no material impact on the consolidated financial statements.

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

New Companies Ordinance

In addition, the requirements of Part 9, "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Group's first financial year commencing after 3 March 2014 (that is, the Group's financial year which began on 1 January 2015) in accordance with section 358 of the Hong Kong Companies Ordinance (Cap. 622). The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far, it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 or value in use in HKAS 36.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Warehouse storage income

Warehouse storage income is recognised when the storage services are rendered.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes and warehouse held for provision of storage services, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, 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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale".

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and prepaid lease payments classified as held for sale are not depreciated or amortised.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

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 lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Taxation

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

Current tax

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

(a) 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 the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group; (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;
- (v) the entity has a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a 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 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 mainly classified into financial assets as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 debt instrument 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 debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

***Financial assets** (Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For the financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for financial asset because of financial difficulties.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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 Group are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, and bank loans 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 (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 liability, or, where appropriate, a shorter period to the net amount on initial recognition.

Interest expense is recognised on an effective interest basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification for warehouse for provision of storage services

The Group determines whether the warehouse in the People's Republic of China (the "PRC") should be classified as property, plant and equipment or an investment property. The warehouse is used to generate warehouse storage income that comprises warehouse rentals and income from the supply of warehouse logistics services. In making its judgement, the directors of the Company considered that income and cash flows from warehouse rentals and warehouse logistics services are interdependent and cannot be separated. In addition, the directors of the Company determined that the provision of warehouse logistics services is significant to the warehouse storage operation as a whole. For these reasons, the directors of the Company considered that the warehouse is classified as property, plant and equipment in accordance with HKAS 16 Property, Plant and Equipment.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation and amortisation

The Group depreciates the property, plant and equipment over their estimated useful life and after taking into account of their estimated residual values, using the straight line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Impairment loss on property, plant and equipment and prepaid lease payments

Property, plant and equipment mainly represented the Group's warehouse property. Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value of the property, plant and equipment less costs to sell or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

The recoverable amount of warehouse has been determined based on a valuation carried out by an independent qualified professional valuer not connected with the Group, using the depreciated replacement cost approach. Besides, the directors of the Company also determined the recoverable amount of warehouse with the estimation of future expected cash flows from the warehouse and a suitable discount rate. The carrying amount of property, plant and equipment is HK$133,775,000 (2013: HK$145,103,000). The carrying amount of warehouse is HK$133,470,000 (2013: HK$142,475,000).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss on property, plant and equipment and prepaid lease payments *(Continued)*

Prepaid lease payments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value of the prepaid lease payments less costs to sell or the future expected cash flows. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where the recoverable amount is less than expected, a material impairment loss may arise.

The recoverable amount of prepaid lease payments have been determined based on a valuation carried out by independent qualified professional valuers not connected with the Group, using comparable market price of similar prepaid lease payments on an open market value with the assumptions that the prepaid lease payments are sold in the market in its existing state. The carrying amount of prepaid lease payments is HK$28,751,000 (2013: HK$99,372,000).

The directors performed impairment assessment of the Group's property, plant and equipment and prepaid lease payments for the years ended 31 December 2014 and 2013, no impairment loss has been recognised for property, plant and equipment and prepaid lease payments.

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customers' current credit-worthiness, as determined by review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

As at 31 December 2014, the carrying amount of trade receivables was approximately HK$1,203,000 (2013: HK$1,170,000), net of accumulated impairment loss of HK$nil (2013: HK$179,000).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment loss recognised in respect of other receivables, and prepayments and deposits

The Group estimates the impairment allowances for other receivables, and prepayments and deposits by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Allowances are applied to other receivables, and prepayments and deposits where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of other receivables, and prepayments and deposits and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of the each reporting period.

As at 31 December 2014, the carrying amounts of other receivables, and prepayments and deposits are approximately HK$1,600,000 (2013: HK$7,157,000) and HK$672,000 (2013: HK$811,000) respectively, net of accumulated impairment loss of other receivables, and prepayments and deposits of approximately HK$3,864,000 (2013: HK$5,672,000) and HK$nil (2013: HK$nil) respectively.

6. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

During the year ended 31 December 2014, the Group's strategy remained unchanged. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by equity attributable to owners of the Company.

The management considers the gearing ratio at the year end date is as follows:

	2014 **HK$'000**	2013 HK$'000
Total borrowings	**72,034**	230,155
Equity attributable to owners of the Company	**109,465**	130,903
Debt to equity ratio	**66%**	176%

The decrease in gearing ratio during the year was mainly due to the decrease in bank loans by HK$158,121,000.

7. FINANCIAL INSTRUMENTS

7a. Categories of financial instruments

	2014 HK$'000	2013 HK$'000
Financial assets		
Loans and receivables		
– Trade and other receivables	**2,803**	8,327
– Pledged bank deposits	**–**	88,765
– Bank balances and cash	**12,753**	9,106
	15,556	106,198
Financial liabilities		
At amortised cost		
– Trade payables	**–**	59
– Other payables	**4,940**	8,612
– Bank loans	**72,034**	230,155
	76,974	238,826

7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, pledged bank deposits, bank balances and cash and bank loans. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented. The significant balance carried in the translation reserve account is occasioned by the translation of the financial statements of the Group's subsidiaries into the presentation currency of the consolidated financial statements of the Group at each reporting date.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank loans (note 27) as at 31 December 2014 and 2013.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances as at 31 December 2014 and 2013 (note 24). The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

***Market risk** (Continued)*

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the end of the reporting period. The analysis is prepared assuming that the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2013: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2013: 100 basis points) higher/lower and all other variables were held constant, the net effect of Group's post-tax loss for the year ended 31 December 2014 would increase/decrease by HK$593,000 (2013: increase/decrease by HK$1,323,000). This is mainly attributable to the Group's exposure to interest rates on its fixed-rate bank loans.

Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

***Credit risk** (Continued)*

In order to minimise the credit risk, the management of the Group has a credit policy in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts on an ongoing basis. In addition, the Group reviews the recoverable amount of each individual trade and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit evaluations are performed on customers requiring credit terms. These evaluations focus on the customer's past history of making payments and current abilities to pay and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk on trade and other receivables is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2014, the Group has concentration of credit risk as 84% (2013: 67%) of total trade receivables were due from the Group's largest customer, and 100% (2013: 100%) of the total trade receivables were due from the Group's two customers. They have good historical repayment records and low default rates, and such trade receivables are neither past due nor impaired.

The credit risk on bank balances is limited because the counterparties are reputable banks located in Hong Kong and the PRC.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and credit facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank loans.

The Group relies on bank loans as a significant source of liquidity. Details of which are set out in note 27. As at 31 December 2014, the Group has utilised banking facilities of approximately HK$160,495,000, in which of approximately HK$88,462,000 was reclassified as liabilities directly associated with the assets of the disposal group classified as held for sale.

7. FINANCIAL INSTRUMENTS (Continued)

7b. Financial risk management objectives and policies (Continued)

Liquidity risk *(Continued)*

The Group has net current liabilities of approximately HK$10,558,000 as at 31 December 2014, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management regularly monitors the operating cash flows of the Group to meet its liquidity requirement in the short and long term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity table

	Weighted average effective interest rate	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2014 HK$'000
2014							
Non-derivative financial liabilities							
Other payables and accruals	–	7,260	–	–	–	7,260	7,260
Bank loans – fixed rate	7.02%	19,256	–	12,174	42,971	74,401	72,034
		26,516	–	12,174	42,971	81,661	79,294

	Weighted average effective interest rate	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2013 HK$'000
2013							
Non-derivative financial liabilities							
Trade payables	–	59	–	–	–	59	59
Other payables and accruals	–	8,612	–	–	–	8,612	8,612
Bank loans – fixed rate	6.93%	77,719	18,673	84,964	64,897	246,253	230,155
		86,390	18,673	84,964	64,897	254,924	238,826

7. FINANCIAL INSTRUMENTS (Continued)

7c. Fair value measurements

The carrying amounts of trade and other receivables, pledged bank deposits, cash and cash equivalents, trade and other payables and current portion of bank loans are estimated to approximate their fair values based on the nature or short-term maturity of these financial instruments.

8. REVENUE

Revenue represents revenue arising on sales of goods and warehouse storage income. An analysis of the Group's revenue for the year is as follows:

	2014	2013
	HK$'000	HK$'000
Sales of goods	**42,158**	21,434
Warehouse storage income	**12,975**	11,529
	55,133	32,963

9. SEGMENT INFORMATION

Business Segments

The Group's operations are organised into industrial property development and general trading. Information reported to the chief executive officer, the Group's chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group's reportable and operating segments comprise industrial property development and general trading.

– Industrial property development segment represents the operation of warehouse storage in Taicang City, the PRC.

– General trading segment includes trading of metal materials, electronic products etc. Currently, the Group's general trading activities are carried out in the PRC.

9. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2014

	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
SEGMENT REVENUE	12,975	42,158	55,133
SEGMENT RESULTS	(17,766)	(3,679)	(21,445)
Unallocated corporate expenses			(10,357)
Unallocated corporate income			4,187
Loss before taxation			(27,615)
Income tax credit			8,221
Loss for the year			(19,394)

9. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2013

	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
SEGMENT REVENUE	11,529	21,434	32,963
SEGMENT RESULTS	(20,061)	(2,636)	(22,697)
Unallocated corporate expenses			(7,428)
Loss before taxation			(30,125)
Income tax credit			–
Loss for the year			(30,125)

All of the segment revenue reported above is from external customers.

Segment result represents the post-tax loss of the subsidiaries engaged in the respective segment activities without allocation of some sundry income and central administrative costs which are not earned by or incurred by those subsidiaries. This is the measure reported to the Group's CODM for the purposes of resources allocation and assessment of segment performance.

9. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

At 31 December 2014

	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
ASSETS			
Segment assets	176,227	933	177,160
Unallocated bank balances and cash			985
Unallocated property, plant and equipment			172
Unallocated other receivables, prepayments and deposits			437
Assets classified as held for sale			130,906
Consolidated total assets			309,660
LIABILITIES			
Segment liabilities	66,507	17,692	84,199
Unallocated other payables			6,861
Liabilities directly associated with assets classified as held for sale			109,135
Consolidated total liabilities			200,195

9. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2013

	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
ASSETS			
Segment assets	382,600	2,840	385,440
Unallocated bank balances and cash			2,349
Unallocated property, plant and equipment			240
Unallocated other receivables, prepayments and deposits			470
Consolidated total assets			388,499
LIABILITIES			
Segment liabilities	237,084	19,714	256,798
Unallocated other payables			602
Consolidated total liabilities			257,400

9. SEGMENT INFORMATION (Continued)

Other information

For the year ended 31 December 2014

	Industrial property development HK$'000	General trading HK$'000	Unallocated HK$'000	Consolidated HK$'000
Information included in segment results/segment assets:				
Amortisation and depreciation	**10,942**	**–**	**75**	**11,017**
Finance costs	**12,312**	**1,053**	**–**	**13,365**
Impairment loss on other receivables	**–**	**2,670**	**–**	**2,670**
Gain on disposal of a subsidiary	**(3,932)**	**–**	**–**	**(3,932)**
Interest income	**(2,195)**	**(7)**	**–**	**(2,202)**
Write back of other payable	**–**	**(59)**	**–**	**(59)**

For the year ended 31 December 2013

	Industrial property development HK$'000	General trading HK$'000	Unallocated HK$'000	Consolidated HK$'000
Information included in segment results/segment assets:				
Amortisation and depreciation	10,961	–	75	11,036
Finance costs	13,623	2,108	–	15,731
Gain on disposal of property, plant and equipment	(285)	–	–	(285)
Interest income	(2,913)	(1,057)	–	(3,970)

9. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers based on the locations of operations and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	31.12.2014 HK$'000	31.12.2013 HK$'000	**31.12.2014 HK$'000 (Note a)**	31.12.2013 HK$'000
Hong Kong	**–**	–	**172**	240
PRC	**55,133**	32,963	**161,555**	278,970
	55,133	32,963	**161,727**	279,210

Note:

(a) Non-current assets exclude those relating to assets classified as held for sale and disposal of a subsidiary.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	31.12.2014 HK$'000	31.12.2013 HK$'000
Customer A[1]	**42,158**	–
Customer B[1]	**–**	21,434
Customer C[2]	**–**	3,574
Customer D[2]	**10,562**	7,955

[1] Revenue from sale of goods.
[2] Revenue from warehouse storage income.

10. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Interest income	**2,202**	3,970
Sundry income	**380**	7
	2,582	3,977

11. OTHER GAINS AND LOSSES

	2014 HK$'000	2013 HK$'000
Gain on disposal of a subsidiary	**3,932**	–
Gain on disposal of property, plant and equipment	**–**	285
Net foreign exchange gain	**195**	–
Write back of other payable	**59**	–
Impairment loss on other receivables	**(2,670)**	–
	1,516	285

12. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest on bank loans and other borrowings wholly repayable within five years	**13,365**	15,731

13. INCOME TAX CREDIT

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the years ended 31 December 2014 and 2013.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits for the year (2013: Nil).

PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to the enterprise income tax rules and regulations of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiary is 25%.

No provision for PRC EIT has been made for the year ended 31 December 2014 as the Company and its subsidiaries either has not generated any assessable profits for the year or have available tax losses brought forward from prior years to offset against assessable profits generated during the year. No provision for the PRC EIT has been made for the year ended 31 December 2013 as the subsidiaries operated in the PRC had no assessable profits.

The directors of the Company are of the opinion that tax provision made in prior years amounting to HK$8,221,000 is unlikely to become payable. As such, such amount has been written back for the year ended 31 December 2014.

The income tax credit for the year can be reconciled to the loss before taxation in the consolidated statement of profit or loss and other comprehensive income as follows:

	2014 **HK$'000**	2013 HK$'000
Loss before taxation	**(27,615)**	(30,125)
Tax at PRC Enterprise Income Tax rate of 25% (2013: 25%) (Note a)	**(6,904)**	(7,531)
Tax effect of expenses not deductible for tax purpose	**1,614**	1,232
Tax effect of income not taxable for tax purpose	**(7,910)**	(2,187)
Over provision in prior years	**(8,221)**	–
Tax effect of tax losses not recognised as deferred tax asset	**10,144**	7,855
Utilisation of tax losses previously not recognised	**(11)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**3,067**	631
Income tax credit for the year	**(8,221)**	–

Note:

(a) The PRC EIT rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based.

13. INCOME TAX CREDIT (Continued)

At the end of reporting period, the Group has unused tax losses subject to the agreement of tax authorities of HK$364,827,000 (2013: HK$193,257,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unutilised tax losses of HK$73,398,000 (2013: HK$95,794,000) can be carried forward for a period of five years. Other unrecognised tax losses may be carried forward indefinitely.

14. LOSS FOR THE YEAR

	2014 HK$'000	2013 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	**2,272**	2,253
Auditor's remuneration		
– audit services	**600**	500
– other services	**400**	100
	1,000	600
Cost of inventories recognised as expenses	**42,106**	21,560
Depreciation on property, plant and equipment	**8,745**	8,783
Impairment loss on other receivables	**2,670**	–
Staff costs (including directors' emoluments)		
– salaries and allowance	**7,149**	7,228
– retirements benefits scheme contribution	**56**	53
	7,205	7,281
Gain on disposal of a subsidiary	**(3,932)**	–
Gain on disposal of property, plant and equipment	**–**	(285)

15. DIVIDEND

The Directors do not recommend the payment of a dividend for the years ended 31 December 2014 and 2013.

16. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the six (2013: six) directors were as follows:

For the year ended 31 December 2014

	Ma Xiaoling HK$'000	Chan Siu Mun HK$'000	Chan Sze Hon HK$'000 (Note a)	Ching Men Ky, Carl HK$'000	Lin Ruei Min HK$'000	Shu Wa Tung, Laurence HK$'000	2014 HK$'000
Fees	–	–	240	240	240	240	960
Other emoluments							
Salaries and other benefits	1,702	960	–	–	–	–	2,662
Discretionary bonus	120	80	–	–	–	–	200
Contribution to retirement benefits schemes	–	17	–	–	–	–	17
Total emoluments	1,822	1,057	240	240	240	240	3,839

For the year ended 31 December 2013

	Ma Xiaoling HK$'000	Chan Siu Mun HK$'000	Chan Sze Hon HK$'000	Ching Men Ky, Carl HK$'000	Lin Ruei Min HK$'000	Shu Wa Tung, Laurence HK$'000	2013 HK$'000
Fees	–	–	240	240	240	240	960
Other emoluments							
Salaries and other benefits	1,701	960	–	–	–	–	2,661
Discretionary bonus	120	80	–	–	–	–	200
Contribution to retirement benefits schemes	–	15	–	–	–	–	15
Total emoluments	1,821	1,055	240	240	240	240	3,836

No director waived any emoluments in the years ended 31 December 2014 and 2013. No incentive payment for joining the Group was paid or payable to any directors during the years ended 31 December 2014 and 2013.

Note:

(a) Mr. Chan Sze Hon resigned as the non-executive director of the Company with effect on 30 January 2015.

17. EMPLOYEES' EMOLUMENTS

Two (2013: two) of the five individuals with the highest emoluments in the Group are directors of the Company whose emoluments are included in disclosures in note 16 above. The aggregate emoluments of the remaining three (2013: three) are as follows:

	2014 HK$'000	2013 HK$'000
Salaries and other benefits	**1,007**	1,001
Contributions to retirement benefit scheme	**15**	15
	1,022	1,016

Their emoluments were within the following bands:

	2014 No. of employees	2013 No. of employees
HK$ nil to HK$1,000,000	**3**	3

18. LOSS PER SHARE

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

	2014 HK$'000	2013 HK$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(19,575)**	(30,045)
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	**299,847**	299,847

The amounts of diluted loss per share are the same as basic loss per share because the Company has no potential ordinary shares outstanding for both years.

19. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Warehouse HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost					
At 1 January 2013	2,804	169,042	3,554	5,347	180,747
Disposals	–	(2,854)	–	–	(2,854)
Exchange realignment	79	4,789	58	166	5,092
At 31 December 2013 and 1 January 2014	2,883	170,977	3,612	5,513	182,985
Addition	–	–	7	–	7
Derecognised on disposal of a subsidiary	(1,189)	–	(1,539)	(4,113)	(6,841)
Reclassified as held for sale	(1,684)	–	(264)	(607)	(2,555)
Exchange realignment	(10)	(583)	(7)	(21)	(621)
At 31 December 2014	**–**	**170,394**	**1,809**	**772**	**172,975**
Depreciation and impairment					
At 1 January 2013	581	19,680	2,999	5,232	28,492
Provided for the year	126	8,447	200	10	8,783
Eliminated upon disposals	–	(285)	–	–	(285)
Exchange realignment	18	660	52	162	892
At 31 December 2013 and 1 January 2014	725	28,502	3,251	5,404	37,882
Provided for the year	114	8,510	121	–	8,745
Eliminated on disposal of a subsidiary	(281)	–	(1,536)	(4,113)	(5,930)
Eliminated on reclassification as held for sale	(556)	–	(264)	(560)	(1,380)
Exchange realignment	(2)	(88)	(8)	(19)	(117)
At 31 December 2014	**–**	**36,924**	**1,564**	**712**	**39,200**
Carrying amounts					
At 31 December 2014	**–**	**133,470**	**245**	**60**	**133,775**
At 31 December 2013	2,158	142,475	361	109	145,103

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Buildings and warehouse	Over the shorter of remaining unexpired terms of the leases and 5%
Furniture, fixtures and equipment	10%-33%
Motor vehicles	20%-25%

The buildings and warehouse are situated on land in the PRC held under a medium-term to long-term land use right.

20. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are amortised and charged to the profit or loss in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

	2014 **HK$'000**	2013 HK$'000
Cost		
At 1 January	**113,300**	110,157
Addition	**23,955**	–
Derecognised on disposal of a subsidiary	**(7,474)**	–
Reclassification as held for sale	**(93,483)**	–
Exchange realignment	**(360)**	3,143
At 31 December	**35,938**	113,300
Accumulated amortisation		
At 1 January	**13,928**	11,324
Amortisation for the year	**2,272**	2,253
Elimination on disposal of a subsidiary	**(691)**	–
Elimination on reclassification as held for sale	**(8,277)**	–
Exchange realignment	**(45)**	351
At 31 December	**7,187**	13,928
Carrying amounts		
At 31 December	**28,751**	99,372

20. PREPAID LEASE PAYMENTS (Continued)

The Group's prepaid lease payments comprise:

	2014 HK$'000	2013 HK$'000
Current assets	**799**	2,280
Non-current assets	**27,952**	97,092
	28,751	99,372

The Group's prepaid lease payments comprise:

	2014 HK$'000	2013 HK$'000
Land in the PRC		
Long lease	**–**	13,952
Medium lease	**28,751**	85,420
Short lease	**–**	–
	28,751	99,372

21. DEPOSITS FOR ACQUISITION OF LAND USE RIGHT

At 31 December 2013, the amount represented deposits paid for the proposed acquisition of land use right in Taicang City, the PRC, for a total of HK$37,015,000 (equivalent to RMB29,190,000) for a development project of the Group in year 2008.

During the year, the Group entered into an agreement with China Taicang Port Development Zone for a refund of the deposits. The amount was fully received before the end of the reporting period.

22. TRADE AND OTHER RECEIVABLES

	2014 HK$'000	2013 HK$'000
Trade receivables	**1,203**	1,349
Less: impairment loss recognised	**–**	(179)
	1,203	1,170
Other receivables	**5,464**	12,829
Less: impairment loss recognised	**(3,864)**	(5,672)
	1,600	7,157
Total trade and other receivables	**2,803**	8,327

The Group allows an average credit period of 90 days to its trade customers and 30 days to its warehouse tenants. The following is an aged analysis of trade receivables net of impairment loss based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2014 HK$'000	2013 HK$'000
0 – 30 days	**1,203**	1,170
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**–**	–
	1,203	1,170

22. TRADE AND OTHER RECEIVABLES (Continued)

Before accepting any new customer, the Group assesses the credit quality of each potential customer. In addition, the Group reviews the repayment history of receivables of each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable.

The Group has certain concentration risk on trade receivables as it has two (2013: two) customers with outstanding balances of approximately HK$1,203,000 (2013: HK$1,170,000) as at 31 December 2014.

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within 30 days are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The movements in impairment loss of trade receivables are as follows:

	2014 **HK$'000**	2013 HK$'000
Balance at beginning of the year	**179**	175
Amounts written off during the year as uncollectible	**(179)**	–
Exchange realignment	**–**	4
Balance at end of the year	**–**	179

The movements in impairment loss of other receivables are as follows:

	2014 **HK$'000**	2013 HK$'000
Balance at beginning of the year	**5,672**	5,514
Recognised during the year	**2,670**	–
Amounts written off during the year as uncollectible	**(4,456)**	–
Exchange realignment	**(22)**	158
Balance at end of the year	**3,864**	5,672

23. PREPAYMENTS AND DEPOSITS

	2014 HK$'000	2013 HK$'000
Prepayments	228	187
Less: impairment loss recognised	–	–
	228	187
Rental and utilities deposits	444	624
Total prepayments and deposits	672	811

The movements in impairment loss of prepayments and deposits are as follows:

	2014 HK$'000	2013 HK$'000
Balance at beginning of the year	–	76
Amounts written off during the year as uncollectible	–	(76)
Balance at end of the year	–	–

24. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances carry interest at market rates which range from nil to 0.42% (31 December 2013: nil to 0.35%) per annum. The pledged bank deposits carry fixed interest rate of 4.25% (31 December 2013: 3.08% to 4.25%) per annum.

At 31 December 2014, bank deposits amounting to HK$37,912,000 are directly associated with the disposal group classified as held for sale and have been pledged to secure long-term bank loans which have been classified as liabilities directly related to assets held for sale. At 31 December 2013, bank deposits amounting to HK$88,765,000 have been pledged to secure short-term bank loans.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash at banks and on hand. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related item in the consolidated statement of financial position as follows:

	2014	2013
	HK$'000	HK$'000
Bank balances and cash	**12,753**	9,106
Bank balances and cash included in a disposal group classified as held for sale	**3,427**	–
	16,180	9,106

25. ASSETS CLASSIFIED AS HELD FOR SALE

	2014 HK$'000	2013 HK$'000
Property, plant and equipment (Note a)	1,128	–
Prepaid lease payments (Note a)	6,905	–
Assets related to industrial properties development business (Note b)	122,873	–
	130,906	–
Receipt in advance (Note a)	10,110	–
Liabilities related to industrial properties development business (Note b)	99,025	–
	109,135	–

Notes:

(a) On 29 October 2014, the Group entered into a property sale and purchase agreement with an independent third party to dispose of the office building together with the land portion situated at Unit 508, Level 5, Block 2, Phase 1, Jinguanyuan, No. 16 Xinhua Lane, Xicheng District, Beijing, the PRC for the cash consideration of approximately HK$10,110,000 (RMB8,000,000) which was received in full before the reporting period. No impairment loss was recognised on reclassification of prepaid lease payments and property, plant and equipment as assets held for sale at 31 December 2014 as the fair value, based on the contracted selling price less costs to sell is higher than their respective carrying amounts. Completion of the transaction is subject to successful registration of change of ownership to the independent third party which has not yet been effected before end of the reporting period.

(b) On 14 January 2015, (i) Profit Capital Limited, a wholly-owned subsidiary of the Company, as vendor, Ping An Real Estate (Hongkong) Company Limited ("Purchaser A") as purchaser and the Company entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Keycharm, an indirectly wholly-owned subsidiary of the Company (the "Keycharm Agreement"), at a cash consideration of approximately HK$146,778,000 (RMB117,423,000); and (ii) the Company as vendor, Purchaser A and Spring Asia Investment Limited ("Purchaser B") as purchasers entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Toobright, a wholly-owned subsidiary of the Company (the "Toobright Agreement"), at a cash consideration of approximately HK$24,472,000 (RMB19,577,000).

Keycharm and Toobright and its subsidiary are engaged in construction of port infrastructure, development of petrochemical industry projects, production of petrochemical products and sale of such products in Taicang City, Jiangsu Province, the PRC. Its subsidiary is the holder of the land use right in Taicang City, Jiangsu Province, the PRC. The disposal was completed on 25 February 2015 when all the conditions precedent under the Keycharm Agreement and the Toobright Agreement were fulfilled.

25. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The assets and liabilities of Keycharm and Toobright and its subsidiary classified as held for sale as at 31 December 2014 are as follows:

	2014 HK$'000
Property, plant and equipment	47
Prepaid lease payments	78,301
Other receivables	3,185
Prepayments and deposits	1
Pledged bank deposits	37,912
Bank balances and cash	3,427
Assets classified as held for sale	**122,873**
Other payables	4,244
Bank loans	94,781
Liabilities directly associated with the assets classified as held for sale	**99,025**
Net assets directly associated with the disposal group	**23,848**

26. TRADE AND OTHER PAYABLES AND ACCRUALS

	2014 HK$'000	2013 HK$'000
Trade payables	–	59
Accrued expenses	2,320	2,371
Deposits received (Note a)	11,183	7,945
Other payables (Note a)	5,523	8,612
Total other payables and accruals	19,026	18,928
Total trade and other payables and accruals	19,026	18,987

Note:

(a) Included in deposits received are receipts in advance from customers and refundable deposits. Included in other payables are the amounts advance from the other creditors, which are unsecured, non-interest bearing and are expected to be settled within one year.

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

	2014 HK$'000	2013 HK$'000
0 – 30 days	–	–
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	–	59
	–	59

The average credit period on purchases of certain goods is 90 days.

27. BANK LOANS

The Group's bank loans are repayable as follows:

	2014 HK$'000	2013 HK$'000
Within one year	**30,330**	173,092
More than one year, but not exceeding two years	**15,165**	15,217
More than two years, but not more than five years	**26,539**	41,846
	72,034	230,155
Less: Amounts shown under current liabilities	**(30,330)**	(173,092)
	41,704	57,063

All the bank loans were secured by the pledge of the Group's assets as set out in note 34.

The analysis of bank loans by currency is as follows:

	2014 HK$'000	2013 HK$'000
Denominated in RMB	**72,034**	230,155

The range of effective interest rates at the end of each reporting period are as follows:

	2014	2013
Fixed rate bank loans	**6.15%-11.20%**	6.00%-8.10%

28. SHARE CAPITAL

	Number of shares '000	Nominal amount HK$'000
Authorised:		
Ordinary shares of HK$0.005 each at 1 January 2013, 31 December 2013 and 31 December 2014	421,978,000	2,109,890
Preference shares of HK$0.005 each at 1 January 2013, 31 December 2013 and 31 December 2014	22,000	110
Issued and fully paid:		
Ordinary shares of HK$0.005 each at 1 January 2013, 31 December 2013 and 31 December 2014	299,847	1,499

29. DISPOSAL OF A SUBSIDIARY

On 15 December 2014, the Group entered into a sale and purchase agreement with an independent third party to dispose its entire 95% equity interests in 北京三智興業投資有限公司 (transliterated as Beijing Sanzhi Xingye Investment Company Limited) which carried out consultation services for a cash consideration of RMB8,000,000 (approximately HK$10,109,000). The disposal was approved by the board of directors of the Group and completed on the same date.

29. DISPOSAL OF A SUBSIDIARY (Continued)

Analysis of assets and liabilities as at the date of disposal are as follows:

	2014 HK$'000
Property, plant and equipment	911
Prepaid lease payments	6,783
Inventories	3,632
Other receivables	2,527
Cash and cash equivalents	139
Other payables and accruals	(6,479)
Net assets disposal of	7,513

Gain on disposal of a subsidiary:

	2014 HK$'000
Cash consideration received	10,109
Net assets disposal of	(7,513)
Non-controlling interests	376
Cumulative exchange gain in respect of the net assets of the subsidiary	960
Gain on disposal	3,932

Net cash inflow on disposal of a subsidiary:

	2014 HK$'000
Cash consideration received	10,109
Less: cash and cash equivalent balances disposed of	(139)
	9,970

30. SHARE OPTIONS SCHEME

In 2011, the Company adopted a Share Option Scheme, which will expire on 19 June 2021, for the purpose of providing incentives or reward to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group and any invested entity. Under the 2011 Share Option Scheme, the directors of the Company may grant options to any employees (including any executive directors), non-executive directors, suppliers of goods or services and customers of the Group; and any person or entity that provides research, development or other technological support to the Group.

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option by payment from the participant of HK$1.00. An option may be exercised in accordance with the terms of the 2011 Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, save that such period shall end in any event not later than ten years from the date of grant of the option and subject to the provisions for early termination thereof.

The subscription price for shares under the 2011 Share Option Scheme will be a price to be determined by the Board, but may not be less than the highest of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheets on the date of grant of the particular option; (ii) the average closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of the grant of the particular option; or (iii) the nominal value of a share.

The total number of shares which may be issued upon exercise of all options to be granted under the 2011 Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the total number of shares in issue as at the adoption date. Besides, the maximum number of shares which may be issued upon exercise of all outstanding options granted under the 2011 Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the 2011 Share Option Scheme and any other share option scheme of the Group to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue for the time being.

At the end of the reporting period, no share option has been granted under the 2011 Share Option Scheme since its adoption.

31. OPERATING LEASES

The Group as lessee

	2014 HK$'000	2013 HK$'000
Minimum lease payments under operating leases in respect of office properties	**944**	938

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

	2014 HK$'000	2013 HK$'000
Within one year	**300**	738
In the second to fifth year inclusive	**–**	292
	300	1,030

Operating lease payments represent rentals payable by the Group for certain of its office properties in Hong Kong and the PRC. Leases are negotiated for an average term of two years.

31. OPERATING LEASES (Continued)

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum payments for warehouse storage facilities.

	2014 HK$'000	2013 HK$'000
Within one year	13,729	12,883
In the second to fifth year inclusive	15,975	29,966
	29,704	42,849

Warehouse storage income earned during the year was HK$12,975,000 (2013: HK$11,529,000).

32. CAPITAL COMMITMENTS

	2014 HK$'000	2013 HK$'000
Commitments in respect of the acquisition and construction of property, plant and equipment contracted but not provided for	–	2,893

The balance represented the commitment for the industrial development project as disclosed in note 21 which was terminated.

33. RETIREMENT BENEFITS SCHEMES

The Group is required to participate in a defined contribution scheme, the MPF Scheme, in respect of its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Both the Group and its employees contribute 5% of the relevant payroll costs to the MPF Scheme. The maximum contribution for each employee is limited to HK$18,000 (2013: HK$15,000) per annum.

The employees of PRC subsidiaries are members of defined contribution plans organised by PRC municipal and provincial government authorities. The PRC subsidiaries are required to make monthly contributions to these plans at a fixed percentage of the employee's basic salary. The only obligation of the Group with respect to the retirement benefit scheme in the PRC is to make the required contributions under the scheme. The local government authority is responsible for the entire pension obligations payable to retired employees.

Contributions to the retirement benefit schemes for the year amounted to HK$246,000 (2013: HK$248,000).

34. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities (note 27) granted to the Group:

	2014	2013
	HK$'000	HK$'000
Property, plant and equipment	**133,469**	142,475
Prepaid lease payments (Note a)	**107,052**	85,420
Bank deposits (Note a)	**37,912**	88,765
	278,433	316,660

Note:

(a) As at 31 December 2014, Keycharm and Toobright and its subsidiary were classified as a disposal group held for sale (note 25). Included in the pledge of assets, the carrying amounts of prepaid lease payments amounted to HK$78,301,000 and bank deposits amounted to HK$37,912,000 have been pledged to secure general banking facilities granted to the disposal group.

35. RELATED PARTIES TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management during the year is HK$4,861,000 (2013: HK$4,852,000) disclosed in notes 16 and 17.

36. SUBSIDIARIES

Name	Place of incorporation and operation	Issued and fully paid ordinary share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company 2014		2013		Principal activities
			Directly	**Indirectly**	Directly	Indirectly	
Delight Link Enterprises Limited	Hong Kong	Ordinary HK$2	**100%**	**–**	100%	–	Provision of administrative services to group companies
Keycharm Investments Limited	British Virgin Islands ("BVI")	Ordinary US$200	**–**	**100%**	–	100%	Investment holding
Spring Chance Limited	BVI	Ordinary US$1	**100%**	**–**	100%	–	Investment holding
圖輝石化開發(太倉)有限公司 (transliterated as Tuhui Petrochem Development (Taicang) Company Limited#)	PRC	Registered and paid-up capital RMB160,000,000	**–**	**100%**	–	100%	Industrial property development
太倉基創倉儲有限公司 (transliterated as Taicang Keycharm Storage Company Limited#)	PRC	Registered and paid-up capital RMB80,000,000	**–**	**100%**	–	100%	Industrial property development
北京三智興業投資有限公司 (transliterated as Beijing Sanzhi Xingye Investment Company Limited#)	PRC	Registered and paid-up capital RMB20,000,000	**–**	–	–	95%	Provision of consultancy Services
太倉灝朴貿易有限公司 (transliterated as Taicang Haopu Trading Company Limited#)	PRC	Registered and paid-up capital RMB5,000,000	**–**	**100%**	–	100%	Trading of goods

The English transliteration of Chinese name is included in this report for reference only and should not be regarded as its official English name.

36. SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

37. INTERESTS IN SUBSIDIARIES/AMOUNTS DUE FROM/TO SUBSIDIARIES

	The Company	
	2014	2013
	HK$'000	HK$'000
Unlisted shares, at cost	**41,325**	3
Less: impairment loss recognised	**(30,697)**	–
	10,628	3
Amounts due from subsidiaries	**293,651**	310,759
Less: impairment loss recognised	**(293,651)**	(218,146)
	–	92,613
Amounts due to subsidiaries	**355**	355

Amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

38. FINANCIAL INFORMATION OF THE COMPANY

	Notes	2014 HK$'000	2013 HK$'000
Non-current asset			
Interests in subsidiaries	37	10,628	3
Current assets			
Amounts due from subsidiaries	37	–	92,613
Prepayments and deposits		145	186
Bank balances and cash		59	60
		204	92,859
Current liabilities			
Other payables and accruals		1,797	510
Amounts due to subsidiaries	37	355	355
		2,152	865
Net current (liabilities)/assets		(1,948)	91,994
Net assets		8,680	91,997
Capital and reserve			
Share capital	28	1,499	1,499
Share premium		379,281	379,281
Contributed surplus		64,379	64,379
Accumulated losses		(436,479)	(353,162)
Total equity		8,680	91,997

39. EVENTS AFTER THE REPORTING PERIOD

(i) On 29 October 2014, the Group entered into a property sale and purchase agreement with an independent third party to dispose of its office building together with the land portion in Beijing at a consideration of approximately HK$10,110,000 (RMB8,000,000), which was fully received in December 2014. Such transaction has not been completed at the date of issuance of these consolidated financial statements as completion of the transaction was subject to registration of change of ownership to the independent third party which was not effected before the reporting period (see note 25(a)).

(ii) Pursuant to the conditional sale and purchase agreement dated 20 November 2014 was entered into between the Company and the shareholders of Oriental Credit Holdings Limited (the "Target Company"), i.e. Rosy Start Investments Limited (the "Rosy Start"), Equity Partner Holdings Limited (the "Equity Partner"), Century Best Holdings Limited (the "Century Best") and Asiabiz Capital Investment Limited collectively (the "Vendors") in respect of the acquisition of the entire issued shares capital of the Target Company, Mr. Joseph Shie Jay Lang is the sole legal and beneficial owner of the entire issued share capital of Rosy Start, Equity Partner and Century Best .

The Target Company is the legal and beneficial owner of the entire registered capital of 上海佑勝投資咨詢有限公司 (the "Shanghai WFOE"), which has entered into a series of contractual arrangements with 上海新盛典當有限公司 (the "Shanghai OPCO"), and its registered shareholders, i.e. 上海置鋒實業有限公司 and 上海快鹿投資(集團)有限公司 in September, November and December 2014. Through these contractual arrangements, the Shanghai WFOE has effective control over the financing and business operations of the Shanghai OPCO, and is entitled to the economic interest and benefits of the Shanghai OPCO which is engaged in pawnshop business in Shanghai, the PRC.

The contractual arrangements currently in effect comprise the following agreements, namely (a) the Exclusive Consulting Service Agreement (as supplemented by the supplemental agreement to the Exclusive Consulting Service Agreement and second supplemental agreement to Exclusive Consulting Service Agreement), (b) the Equity Pledge Agreement (as supplemented by the supplemental agreement to Equity Pledge Agreement), (c) the Exclusive Call Option Agreement (as supplemented by the supplemental agreement to Exclusive Call Option Agreement and second supplemental agreement to Exclusive Call Option Agreement), and (d) Authorization Agreement.

39. EVENTS AFTER THE REPORTING PERIOD (Continued)

(ii) (Continued)

According to the conditional sale and purchase agreement, the Company has conditionally agreed to acquire the entire equity interest of Target Company for a total consideration of HK$150,000,000 which may be raised to HK$180,000,000 subject to adjustment on the basis of performance targets achieved for 2014, 2015 and 2016 according to the audited consolidated net profit after taxation of the Target Company and its subsidiaries for the respective accounting periods. The total consideration of HK$150,000,000 will be settled, subject to completion of certain conditions precedent, by issuance of convertible notes to the Vendors according to their respective shareholding ratio. The respective sum of HK$80,000,000, HK$35,000,000 and HK$35,000,000 at the 60th business day after the issue of the audited financial statements of the Target Company for the financial year ended 31 December 2014, and for the financial years ending 31 December 2015 and 2016.

All the conditions set out in the sale and purchase agreement were fulfilled and completed on 21 January 2015 (the "Completion"). Following the Completion, the Target Company became a direct wholly-owned subsidiary of the Company.

(iii) On 9 January 2015, the Company entered into a placing agreement with placing agent in relation to placement to not less than six independent placee(s) for up to 59,969,422 shares at an issue price of HK$2.00 per share. The completion took place on 27 January 2015 and 59,600,000 shares were allotted and issued for an aggregate net proceeds of approximately HK$116,816,000.

(iv) On 14 January 2015, (i) Profit Capital Limited, a wholly-owned subsidiary of the Company, as vendor, Purchaser A as purchaser and the Company entered into the Keycharm Agreement at a cash consideration of approximately HK$146,778,000 (RMB117,423,000); and (ii) the Company as vendor, Purchaser A and Purchaser B as purchasers entered into the Toobright Agreement at a cash consideration of approximately HK$24,472,000 (RMB19,577,000) for the disposal of the port infrastructure project in Taicang City, Jiangsu Province, the PRC. The disposals were completed on 25 February 2015 when all the conditions precedent under the Keycharm Agreement and the Toobright Agreement were fulfilled (see note 25(b)).

39. EVENTS AFTER THE REPORTING PERIOD (Continued)

(v) On 3 March 2015, Champion Well Limited (the "Champion Well"), an indirect wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with Hongkong Aoban Int'l Trading Limited (the "Hongkong Aoban") as vendor, pursuant to which Champion Well has conditionally agreed to acquire the 25% equity interest in Shanghai Rongyu Financial Leasing Company Limited (the "JV Company") for a consideration of RMB100,000 (approximately HK$125,000). The JV Company was established as an equity joint venture by Hong Kong Aoban and 上海尤龍實業有限公司 (the "Shanghai Youlong") for the provision of financial leasing service, operating leasing services, acquisition of leasing assets from the PRC and the overseas, salvage treatment and maintenance of financing assets and the provision of consultation and guarantee of leasing transactions. Upon the completion of this transaction, Champion Well will own 25% equity interests in JV Company.

A tripartite agreement was entered into between Champion Well, Hongkong Aoban and Shanghai Youlong on the same date acknowledging its consent of this acquisition and unconditionally and irrevocably agreed to surrender its pre-emptive rights of the JV Company.

The amendment deed entered into between Champion Well and Shanghai Youlong on the same date in respect of the amendments of articles of association of the JV Company. Champion Well shall make the capital contribution in respect of its 25% equity interest in the JV Company in the amount of RMB52,500,000 (approximately HK$65,625,000) within one year from the date of the issuance of the new business license of the JV Company by the relevant PRC government authority.

The conditions precedent of this transaction have not been completed at the date of issuance of these consolidated financial statements.

Financial Summary

	Year ended 31.12.2014 HK$'000	Year ended 31.12.2013 HK$'000	Year ended 31.12.2012 HK$'000	Year ended 31.12.2011 HK$'000	Year ended 31.12.2010 HK$'000
RESULTS					
Continuing operations					
Revenue	**55,133**	32,963	118,337	184,187	7,418
Cost of sales	**(42,090)**	(21,544)	(108,924)	(175,701)	–
Gross profit	**13,043**	11,419	9,413	8,486	7,418
Other income, gains and losses	**4,098**	4,262	5,760	38,003	282
Selling and distribution costs	**–**	(659)	(106)	(141)	–
Administrative and other operating expenses	**(31,391)**	(29,416)	(33,002)	(37,380)	(29,294)
Other expenses	**–**	–	(5,753)	–	–
Finance costs	**(13,365)**	(15,731)	(20,219)	(1,852)	(4,466)
(Loss) profit before taxation	**(27,615)**	(30,125)	(43,907)	7,116	(26,060)
Income tax credit (expense)	**8,221**	–	–	(7,843)	–
	(19,394)	(30,125)	(43,907)	(727)	(26,060)
Discontinued operations					
Profit (loss) for the year from discontinued operation	**–**	–	–	3,104	(4,070)
(Loss) profit for the year	**(19,394)**	(30,125)	(43,907)	2,377	(30,130)
Attributable to:					
Owners of the Company	**(19,575)**	(30,045)	(43,817)	2,506	(29,944)
Non-controlling interests	**181**	(80)	(90)	(129)	(186)
	(19,394)	(30,125)	(43,907)	2,377	(30,130)

	31.12.2014 HK$'000	31.12.2013 HK$'000	31.12.2012 HK$'000	31.12.2011 HK$'000	31.12.2010 HK$'000
ASSETS AND LIABILITIES					
Total assets	**309,660**	388,499	368,954	387,353	325,324
Total liabilities	**(200,195)**	(257,400)	(211,375)	(187,350)	(134,179)
Non-controlling interests	**–**	(196)	(269)	(356)	(468)
Equity attributable to owners of the Company	**109,465**	130,903	157,310	199,647	190,677