China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Annual Report 2015

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr BAI Zhe *(Chairman)*
Mr LIU Xiao Guang
Mr YUAN Chun *(Chief Executive Officer)*
Mr ZHANG Jielong Note 1 *(Deputy Chief Executive Officer)*

Independent Non-executive Directors

Mr WANG Xiangfei
Mr SIN Yui Man
Mr FAN Ren Da, Anthony

COMPANY SECRETARY

Mr WONG Kwok Ho Note 2
Ms CHAN Mei Ngor Note 3

AUDIT COMMITTEE

Mr WANG Xiangfei *(Chairman)*
Mr SIN Yui Man
Mr FAN Ren Da, Anthony

REMUNERATION COMMITTEE

Mr LIU Xiao Guang
Mr SIN Yui Man *(Chairman)*
Mr FAN Ren Da, Anthony

NOMINATION COMMITTEE

Mr BAI Zhe *(Chairman)*
Mr WANG Xiangfei
Mr FAN Ren Da, Anthony

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4506 – 4509
Two International Finance Centre
No. 8 Finance Street, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Notes:

1. appointed on 22 June 2015
2. resigned on 16 October 2015
3. appointed on 16 October 2015

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

**Bank of Communications Co., Ltd.,
Hong Kong Branch**
Bank of China (Hong Kong) Limited
The Bank of East Asia, Limited

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law
Freshfields Bruckhaus Deringer

As to the Cayman Islands Law
Conyers Dill & Pearman

INVESTMENT MANAGER

**HuaAn Asset Management
(Hong Kong) Limited**
Suite 3808-9, 38th Floor
ICBC Tower, Citibank Plaza
3 Garden Road, Central, Hong Kong

CUSTODIAN

Orangefield Management (Hong Kong) Limited
6th Floor, St. John's Building
33 Garden Road, Central
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1062

WEBSITE

www.cdb-intl.com
www.irasia.com/listco/hk/cdbintl

Chairman's Statement

Dear Shareholders

In 2015, China Development Bank International Investment Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") obtained the returns from the existing investment projects. The global economy was still struggling in 2015 as external vulnerabilities and domestic challenges stalled the recovery pace of many countries. China and other emerging markets are affected by internal economic rebalancing and external factors such as the impending U.S. rate hike, low commodities prices, stagnant external demand, and geopolitical events. The Company uses its best effort to obtain the best returns to the shareholders of the Company.

In 2016, the Company believes that the investment in logistics industry will obtain the best returns to the shareholders of the Company. Logistics is a key part of the "plumbing" of the global trading system. The efficiency of logistics-related industries has a major influence on investment decisions of companies large and small, and thus affects the extent and location of job creation around the world. During the ''13th Five-Year'' period, the National Development and Reform Commission, based on the requirements of leading the new economic normality and implementing the new development concept, consider that the key strategy of the logistic industry should be changed from "Reducing Cost, Enhancing Efficiency and Serving the Country" to "Reducing Cost, Reducing Deficiencies and Promoting Supply-side Structural Reforms" and promoting the innovative development of the logistic industry. With innovative logistic system and sound policies, the National Development and Reform Commission will strengthen the crucial resources construction of logistic industry and support the new logistic model development of third party logistic and multi-mode transportation for reducing tax liabilities, promoting cost reduction and efficiency enhancement, strengthening the entities and stabilizing the growth of the logistic industry. On the other hand, the "Three Strategies" will be implemented by proposing the establishment of an international logistic channel, promoting reforms in Beijing, Tianjin and Hebei agricultural products circulation system and accelerating the multi-mode transportation development with a core business along the Yangtze River golden waterway. Meanwhile, the sustainable healthy development of the logistic industry will be backed by foundation work such as organization and implementation of the modern logistic major projects, demonstration of the logistic pilots and formulation and revision of industry standard. The Company will continue to seek for the best investment opportunities to obtain the best returns to the shareholders of the Company.

In order to improve the performance of the Group and deliver the best returns to shareholders, the Group will continue to look for investment opportunities which strengthen profitability under the acceptable risk in the portfolio of the Group. The management will continue to closely monitor the market situation and enhance all areas of operation, to raising levels of financial discipline and improving profitability within the Group.

Finally, I would like to take this opportunity to extend my sincerest gratitude to our shareholders for their support. I would also like to thank members of the Board, the management and the staff for their diligence. Despite the turmoil in the international economy in 2015, our team has worked hard to confront the challenges head on and achieve its goals. I am confident that we will be able to achieve long-term sustainable returns for our shareholders by working together as a more mature and united team in the year ahead.

By the order of the Board
CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED

BAI Zhe
Chairman

Hong Kong, 15 March 2016

Management Discussion and Analysis

The board of directors (the "**Board**" or "**Directors**") of the Company announces the audited consolidated results of the Group for the year ended 31 December 2015 (the "**Year**"). The audited consolidated results for the Year have been reviewed by the audit committee and audited by the auditor of the Company.

OVERALL PERFORMANCE

For the Year, the Group recorded a profit of approximately Hong Kong dollars ("**HK$**") 113.26 million (31 December 2014: approximately HK$48.56 million) which is primarily attributable to the change in fair value of financial investments and reduction in general and administrative expenses during the Year.

The investment income for the Year decreased 34.38% from the last year to approximately HK$34.60 million (31 December 2014: approximately HK$52.73 million), primarily due to the interest income from the convertible notes, convertible bond and loan.

For both the years ended 31 December 2014 and 2015, the Group's investment income was all derived in Hong Kong, based on the physical location of the underlying assets that generate the revenue. The Group's non-current assets (other than financial instruments) are located in the People's Republic of China (the "**PRC**") and Hong Kong.

The interest income was approximately HK$0.25 million, representing a decrease of 86.81% as compared to approximately HK$1.90 million last year.

The gain in fair value of financial assets held for trading amounts to approximately HK$0.40 million (31 December 2014: loss in fair value of HK$14.58 million) was recorded in the Year, which was attributable to the change in fair value of unlisted warrant instrument and related put rights of Jinqiao Investments Limited ("**Jinqiao**") and unlisted warrant of Yingde Gases Group Company Limited ("**Yingde Gases**").

The gain in fair value of investments designated at fair value through profit or loss amounts to approximately HK$97.97 million (31 December 2014: HK$25.47 million) was recorded in the Year, which was attributable to the 6,383 preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**"), the senior, secured and guaranteed convertible notes of North Sea Rigs Holdings Limited ("**NSR Holdings**"), loan of Jinqiao and convertible bond of Yingde Gases. The net realised gain on disposals of financial assets at fair value through profit on loss amounts to HK$75.22 million.

The general and administrative expenses of the Group for the Year were approximately HK$19.23 million (31 December 2014: approximately HK$20.20 million). It is mainly resulted from the decrease in legal and professional fees on transactions.

The Group's net asset value increased from approximately HK$1,112.64 million as at 31 December 2014 to approximately HK$1,221.52 million as at 31 December 2015, with earnings per share of HK3.90 cents (31 December 2014: earnings per share of HK1.67 cents).

LIQUIDITY AND FINANCIAL RESOURCES

It is the Group's policy to adopt a prudent financial management strategy. The Group's treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and investment opportunities.

As at 31 December 2015, the cash and bank balance of the Group was approximately HK$748.58 million (31 December 2014: approximately HK$414.90 million). As almost all the retained cash was placed in Hong Kong Dollars short-term deposits with major banks in Hong Kong, the Group's exposure to exchange fluctuations is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 31 December 2015.

As at 31 December 2015, the Group had no borrowings, gearing ratio (calculated as the long term loan to the total shareholder's equity) was zero (31 December 2014: zero), putting the Group in an advantageous position to pursue its investment strategies and investment opportunities.

CAPITAL STRUCTURE

There is no change to the Group's capital structure for the Year.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2015, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2014: nil).

As at 31 December 2015, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Year, the Company had not made any material acquisition or disposal of subsidiaries and associated companies.

PORTFOLIO REVIEW

Top Five Investments

Particulars of the investments of the Group as at 31 December 2015 are set out as follows:

Name of investment	Proportion of the share/paid up capital owned	Carrying book cost up to 31 December 2015 HK$	Market value/ carrying amount as at 31 December 2015 HK$	Unrealised gain/ (loss) recognized (Note 6) HK$	Dividend received/ receivable during the Year HK$	Percentage to the Group's net assets as at 31 December 2015
JinkoSolor Power (Note 1)	5%	194,987,520	218,000,293	23,012,773	–	17.85%
Yingde Gases (HKEx stock code: 2168) (Note 2)	N/A	195,000,000	163,785	163,785	–	0.01%
Beijing Far East Instrument Company Limited ("**Beijing Far East**") (Note 3)	25%	47,766,128	70,552,317	22,786,189	1,566,234	5.78%
NSR Holdings (Note 4)	N/A	187,200,000	–	–	–	–
Jinqiao (Note 5)	N/A	39,000,000	–	–	–	–

Notes:

1. JinkoSolar Power is a company incorporated in the Cayman Islands with limited liability which is mainly engaged in the development and operation of solar power projects. The carrying amount of the equity shareholding is stated at fair value.

2. Yingde Gases is a company incorporated in the Cayman Islands and listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its principal activities are the production and sales of industrial gases. The carrying amount of the convertible bonds and warrant instrument are stated at fair value.

3. Beijing Far East is a sino-foreign enterprise incorporated in the PRC, and is principally engaged in producing scientific measuring and industrial control equipment. Its carrying amount is accounted for using equity method.

4. NSR Holdings is a company incorporated in the Cayman Islands and is an investment holding company, and is principally involved in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. The carrying amount of the convertible note is stated at fair value.

5. Jinqiao is a company incorporated in the British Virgin Islands and is an investment holding company, and its wholly owned subsidiary, Golden Bridge Holdings Limited, had acquired Zhongpin, Inc., which is principally Involved in trading meat and food processing, pork and pork products, and vegetable and fruits in the PRC. The carrying amount of the inter-related loan and warrant are stated at fair value.

6. The unrealised gain/(loss) represented the changes in fair value of the respective investments.

UNLISTED INVESTMENTS REVIEW

JinkoSolar Power

On 29 September 2014, the Company had entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with China Development Bank International Holdings Limited ("**CDBIH**") and Jade Sino Ventures Limited ("**Jade Sino**"), pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the enlarged issued share capital of Jade Sino respectively.

The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of United States dollars ("**US$**") 52.5 million (equivalent to approximately HK$409.5 million) contributed by the Company and CDBIH to completing the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014.

Yingde Gases

On 24 November 2013, the Group and Yingde Gases had entered into the investment agreement whereby Yingde Gases issued and the Group subscribed for (i) the principal amount of US$ 25,000,000, 8% coupon convertible bond due in year 2015; and (ii) at nil consideration, 18,953,853 warrant exercisable to purchase ordinary shares of US$0.000001 each in the capital of Yingde Gases. The convertible bond has been matured and settled in November 2015.

Beijing Far East

Beijing Far East, an associate of the Group, is a leading industrial precision instrument manufacturer in China. The principal business of Beijing Far East is to manufacture meters and precise measuring instruments.

Based on the unaudited management accounts for the Year, Beijing Far East recorded its unaudited consolidated profit of approximately Renminbi ("**RMB**") 15.92 million, an increase of approximately 29.01%, as compared with its unaudited consolidated profit of approximately RMB12.34 million for the year ended 31 December 2014.

NSR Holdings

On 10 December 2012, the Group together with another proposed subscriber entered into the subscription agreement with NSR Holdings for the subscription of senior, secured and guaranteed convertible notes in an initial aggregate principal amount of up to US$75 million. NSR Holdings is a company incorporated in the Cayman Islands and is an investment holding company.

The proceeds raised from the issuance of the convertible notes will be used by NSR Holdings in connection with the construction of the drilling rig. NSR Holdings is principally involved in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. Pursuant to the subscription agreement, the Group subscribed for the convertible notes in the principal amount of up to US$25 million. The convertible notes have been matured and settled in December 2015.

China International Marine Containers (Group) Co., Ltd. (together with its subsidiaries, the "**CIMC Group**") is a PRC state-owned enterprise and China International Marine Containers (Hong Kong) Limited, which is the wholly-owned subsidiary of CIMC Group, one of the guarantors in connection with the convertible notes issuance, holds the substantial assets of the CIMC Group.

Jinqiao

On 27 June 2013, the Company had entered into a facility agreement and a warrant instrument with Jinqiao in relation to a loan and warrant investment in Jinqiao (the "**Jinqiao Agreements**"). Under the Jinqiao Agreements, the Company provided a mezzanine facility having a total commitment of US$20 million to Jinqiao with a 20% interest rate per annum for 2 years. The Company also received the warrant issued by Jinqiao to entitle the Company to purchase the ordinary shares of Jinqiao at the exercise price of US$13.5 per ordinary share at any time before 27 June 2015 for an aggregate amount up to US$10 million. Under the Jinqiao Agreements, the proceeds were applied to providing working capital for the Golden Bridge after acquiring the shares of Zhongpin, Inc. for the purpose of privatization by way of a merger of Golden Bridge Merger Sub Limited, a wholly-owned subsidiary of Golden Bridge, into Zhongpin, Inc., with Zhongpin, Inc., the surviving entity after such merger.

On 30 June 2015, the Company had received the full repayment of the mezzanine facility (including all principal amount outstanding and accrued interest) from Jinqiao. Besides, on 30 June 2015, the Warrant had not been fully exercised. Subsequently, Jinqiao had paid to the Company the mandatory redemption amount in the amount of US$1.5 million which is equal to 15% of the exercise price for the unexercised portion of the Warrant, pursuant to the terms of the warrant instrument.

LISTED INVESTMENTS REVIEW

Securities Investments

The Group has not held any listed equities in the secondary market during the Year.

EMPLOYEES

As at 31 December 2015, the Company had 6 employees. The total staff costs of the Group for the Year was approximately HK$7.99 million (31 December 2014: approximately HK$11.00 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, double pay, performance bonuses and mandatory provident fund are reviewed on regular basis. The Company has adopted a share option scheme on 7 February 2005 for the purposes of providing incentives and rewards to eligible participants who have made contributions to the Group.

GEARING RATIO

The Group had no outstanding bank borrowings as at 31 December 2015 and 31 December 2014. As at 31 December 2015, the Group's current ratio (current assets to current liabilities) was approximately 87.96 (31 December 2014: approximately 298.93). The ratio of total liabilities to total assets of the Group was approximately 0.93% (31 December 2014: approximately 0.48%).

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review since all the retained cash was placed in Hong Kong Dollars short-term deposits with major banks in Hong Kong. It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimize currency risks.

FUTURE PROSPECTS

The Company will continue to actively pursue opportunities to obtain the best returns to the shareholders of the Company and pave the way for business growth. The Company anticipates the growth in logistic industry to remain optimistic. Thus, the Company is in progress of investing in two logistics projects, PG Investment (defined as below) and Best Logistics (defined as below).

PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement (the "**Share Subscription Agreement**") with Jolly Investment Limited ("**Jolly**") and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,448 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at the consideration in the amount of US$25,000,000, representing approximately 23.04% of the enlarged issued share capital of Jolly.

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly intended to indirectly invest in 廣州寶供投資有限公司 (For identification purpose only, English name is Guangzhou P.G. Investment Co., Ltd.) ("**PG Investment**"), a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in China, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are independent third parties of the Company.

Best Logistics

On 18 January 2016, the Company had entered into a preferred shares purchase agreement with Best Logistics Technologies Limited ("**Best Logistics**"), an independent third party of the Company, as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at the consideration in the amount of US$30,000,000.

Best Logistics is a leading innovative integrated logistics and supply chain service provider in China. It engages in business including express delivery, freight delivery and supply chain service. Best Logistics, incorporated in the Cayman Islands with limited liabilities, is an independent third party of the Company.

Looking forward

Looking forward, the management believes that the business and operating environment is full of challenges and volatility. Amidst an expectation of a slower growth in mainland China, the market is facing a slowdown in economic growth, and economic structure has undergone significant changes during the transition from medium to long term.

In order to improve the performance of the Group and deliver the best returns to our shareholders, the Group will continue to look for investment opportunities which will strengthen the profitability under the acceptable risk in the portfolio of the Group. The management will continue to closely monitor the market situation and enhance all areas of operation, to raise the level of financial discipline and improve profitability within the Group.

Report of the Directors

The Board of the Company presents this report to the shareholders of the Company together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment company incorporated in the Cayman Islands. Its investment objective is to achieve medium-term to long-term capital appreciation of its assets primarily through investments in money market securities and equity and debt related securities in listed and/or unlisted companies or entities on a global basis.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Particulars of the Group's principal subsidiaries, associates and jointly controlled entities at 31 December 2015 are set out in notes 14 and 26, respectively, to the financial statements.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit and loss and other comprehensive income as set out on page 40 of the annual report.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the section headed "Management Discussion and Analysis" on page 5 under the heading "Overall Performance" and the paragraphs below.

During the year, a profit for the Year attributable to owner of the Company amounted to approximately HK$113.26 million, representing 133.24% increase as compared to approximately HK$48.56 million in last year. The profit was primarily attributable to the increase in change in fair value of financial investments and reduction in general and administrative expenses during the Year. The gain in the fair value of the financial investments was substantially increased by 284.66% to approximately HK$97.97 million as compared with last year. The general and administrative expenses of the Group for the Year decreased by 4.79% from HK$20.20 million in last year to HK$19.23 million this year, primarily due to the decrease in legal and professional fees on transactions. Besides, the Company had received the full repayment of the mezzanine facility (including all principal amount outstanding and accrued interest) from Jinqiao during the Year. The convertible bond of Yingde Gases and the convertible notes of NSR Holdings had been matured and settled during the Year.

Financial key performance indicators

	2015	2014	Change percentage
Investment income	**34,597,808**	52,727,655	-34.38%
Change in fair value financial asset held for trading	**400,496**	(14,582,486)	+102.75%
Change in fair value of investment designed at fair value through profit or loss	**97,966,455**	25,468,016	+284.66%
General and administrative expenses	**(19,229,243)**	(20,197,545)	-4.79%
Interest income	**250,913**	1,902,037	-86.81%
General and administrative expenses	**(19,229,243)**	(20,197,545)	-4.79%
Profit before taxation	**118,298,132**	48,950,161	+141.67%
Earnings per share	**3.90**	1.67	+133.53%
Bank balance and cash	**748,578,554**	414,901,459	+80.42%
Net asset value per share	**0.42**	0.38	+10.53%
Gearing ratio	**87.96**	298.93	-70.58%

Key risks factors

The key risks factors of the Group is set out in the heading "Management Discussion and Analysis" on page 10 under a section headed "Exchange Exposure" and notes 22 and 23(b) of the financial statements respectively. Besides, the following section lists out the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties in addition to the key risk factors outlined below. Besides, this report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

Currency risk

The Group is exposed to a variety of financial risks through its use of financial instruments in its ordinary course of operating and its investment activities. The Group will continue to closely monitor the financial risks by alleviating the currency risk through denominated its investments in US$. Since US$ is pegged to the HK$, the currency risk of the Group is not significant. Besides, the cash and banks of the Group are deposited with authorized banks located in Hong Kong, therefore the credit risk for such is minimal.

Financing risk

The unfavorable global market conditions may adversely affect the ability of the Group to acquire financing, any decline in the liquidity of the global capital markets may adversely affect the markets in Hong Kong and limit our ability to obtain funds, However, the Group strived to enhance its liquidity risk management through carefully monitor the cash flows and financing strategy.

Future Development and important events after the end of the financial year

Looking ahead, the business environment remains very challenging as downward pressure on economy of the PRC, the global financial and economic conditions are expected to remain unstable. Nevertheless, the Group will cautiously review and adjust the business strategies from time to time, and seek the best returns to maximize value of shareholders.

The Group believes that the logistic industry continues to grow and will give a higher return. The Group closely look to the opportunities in the logistics industry and intend invest in two logistics projects, PG Investment and Best Logistics.

PG Investment

On 15 December 2015, the Company had entered into the Share Subscription Agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,448 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at the consideration in the amount of US$25,000,000, representing approximately 23.04% of the enlarged issued share capital of Jolly.

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly intended to indirectly invest in PG Investment. PG Investment is a leading logistics warehouse infrastructure operator in China, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are independent third parties of the Company.

Best Logistics

On 18 January 2016, the Company had entered into a preferred shares purchase agreement with Best Logistics, an independent third party of the Company, as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at the consideration in the amount of US$30,000,000.

Best Logistics is a leading innovative integrated logistics and supply chain service provider in China. It engages in business including express delivery, freight delivery and supply chain service. Best Logistics, incorporated in the Cayman Islands with limited liabilities, is an independent third party of the Company.

Environmental Policies and Performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. As an investment company, we pride ourselves as an environment friendly corporation. We aware conscious minimizing in consumption of resources and adopt of environmental best practices across the Group’s businesses underlie its commitment to conserving and improving the environment. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives include recycling of used papers, energy saving and water saving.

Relationship with suppliers, customers, employees and other stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group's immediate and long-term goals. Although there are no major customers and suppliers during the Year, as disclosed in the section headed "**Major Customers and Suppliers**" on page 25 of this report, the Company creates a framework for motivating staff and an formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

Compliance with the relevant laws and regulations

In relation to human resources, the Group is committed to complying with the requirements of the ordinances relating to disability, sex, family status and race discrimination, as well as the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to occupational safety of employees of the Group, so as to safeguard the interests and well-being of its employees.

On the corporate level, the Group complies with the requirements under the Companies Law (Revised) under the laws of Cayman Islands, the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), the Companies Ordinance and the Securities and Futures Ordinance (the "**SFO**") under the laws of Hong Kong for, among other things, the disclosure of information and corporate governance, and the Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**").

The Company uses the restricted word "**Bank**" as its company name under the approvals granted by Cayman Islands Monetary Authority ("**CIMA**") and Hong Kong Monetary Authority ("**HKMA**") in 2012. The Company complies with certain requirements and conditions under the approvals granted by CIMA and HKMA pursuant to the Banks and Trust Companies Law (2009 Revision) under the laws of Cayman Islands and Banking Ordinance under the laws of Hong Kong respectively.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is given on page 80 of the annual report.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2014: nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on Thursday, 16 June 2016 (the "**AGM**"). For further details of the AGM, please refer to page 36 of this annual report or the notice of AGM be dispatched in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 13 June 2016. The register of members of the Company will be closed from Tuesday, 14 June 2016 to Thursday, 16 June 2016 (both dates inclusive), during which period no share transfers will be registered. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Thursday, 16 June 2016 are entitled to attend the AGM.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the Company's authorised and issued share capital during the Year are set out in note 20 to the financial statements. Please also refer to capital structure as set out on page 6 of the annual report.

SHARES ISSUED

The Company has not issued any share during the Year.

DEBENTURES ISSUED

The Company has not issued any debenture during the Year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Group as set out on pages 22 to 23, no equity-linked agreements were entered into the Group or existed during the Year.

RESERVES

Movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity and note 25(b) to the financial statements.

DISTRIBUTABLE RESERVE

At 31 December 2015, the aggregate amount of reserve available for distribution to equity shareholders of the Company was HK$1,036,550,871 (2014: HK$909,331,529).

DIRECTORS

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

Executive Directors
Mr BAI Zhe *(Chairman)*
Mr LIU Xiao Guang
Mr YUAN Chun *(Chief Executive Officer)*
Mr ZHANG Jielong [Note] *(Deputy Chief Executive Officer)*

Independent Non-executive Directors
Mr WANG Xiangfei
Mr SIN Yui Man
Mr FAN Ren Da, Anthony

Note: appointed on 22 June 2015

Mr BAI Zhe and Mr WANG Xiangfei will retire by rotation from the Board in accordance with Article 88 of the articles of association of the Company (the "**Articles**") at the AGM. Further, Mr ZHANG Jielong, the newly appointed Director by the Board on 22 June 2015 will also retire from office in accordance with Article 87(3) of the Articles and, being eligible, will offer himself for re-election as Director of the Company at the AGM. Mr BAI Zhe, Mr ZHANG Jielong and Mr WANG Xiangfei, all being eligible, offer themselves for re-election.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 26 to 28 of the annual report.

DIRECTORS' SERVICE CONTRACT

There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any Director proposed for re-election at the AGM.

EMOLUMENTS OF DIRECTORS

Please refer to note 9 of the audited consolidated financial statements for details of the emoluments of the Directors.

The emoluments payable to the Directors are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and the prevailing market rate.

PERMITTED INDEMNITY PROVISION

Articles provide that every Director is entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company and its listed subsidiaries have taken out and maintained directors' liability insurance throughout the Year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, none of the Directors or the chief executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein, or which were required, pursuant to Model Code set out in the Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any Directors or chief executive of the Company, as at 31 December 2015, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept the Company under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

Name of Shareholder	Nature of Interests	Number of issued shares of the Company held	Approximate percentage of the existing issued share capital of the Company
China Development Bank Corporation ("**CDB**") (Note 1)	Corporate Interest	1,920,000,000	66.16%
China Development Bank Capital Corporation Ltd. (國開金融有限責任公司) ("**CDBC**") (Note 1)	Corporate Interest	1,920,000,000	66.16%
CDBIH (Note 1)	Corporate Interest	1,920,000,000	66.16%
Mr LIU Tong (Note 2)	Corporate Interest	163,702,560	5.64%
Yoobright Investments Limited (Note 2)	Corporate Interest	163,702,560	5.64%

Notes:

1. CDBIH is a wholly-owned subsidiary of CDBC. CDBC is a wholly-owned subsidiary of CDB. Thus, CDB and CDBC are deemed to be interested in the same percentage of shares held by CDBIH.

2. Yoobright is beneficially and wholly owned by Mr LIU Tong. Mr LIU Tong is therefore deemed to be interested in the same percentage of shares held by Yoobright.

Save as disclosed above, at 31 December 2015, the Company had not been notified by any person, other than Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There are no pre-emptive rights provisions in the Articles nor are there any pre-emptive rights provisions generally applicable under the law of the Cayman Islands.

TAXATION OF HOLDERS OF SHARES

(a) Hong Kong

Dealings in Shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of shares. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

Under present Cayman Islands law, transfer or other dispositions of Shares are exempted from Cayman Islands stamp duty.

(c) Professional tax advice recommended

Shareholders and intending holders of Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, Mr BAI Zhe, Mr YUAN Chun and Mr ZHANG Jielong held certain positions in CDB group, which engaged in the same businesses of investment in Hong Kong and overseas as the Company. The potential conflicts of interest may arise in the allocation of investment opportunities to the Company and the other entities under CDB group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

None of the Directors is materially interested either directly or indirectly in any contract or arrangement entered into with any member of the Group which contract or arrangement is subsisting at any time during the Year or as at 31 December 2015 and which is significant in relation to the business of the Group taken as a whole.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company had conducted review of their related party transactions as set out in note 21 of the financial statements and are satisfied that related party transactions which constitute connected transactions or continuing connected transactions were properly disclosed in accordance with the Listing Rules.

Jade Sino Subscription Agreement

On 29 September 2014, the Company and CDBIH entered into Jade Sino Subscription Agreement in relation to the subscription of 11,904 and 13,096 ordinary shares of Jade Sino by the Company and CDBIH respectively with Jade Sino. Pursuant to Jade Sino Subscription Agreement, the Company has agreed to subscribe for, and Jade Sino has agreed to issue, 11,904 ordinary shares, representing approximately 23.81% of the enlarged issued share capital of Jade Sino, at the consideration of US$24,998,400 (equivalent to approximately HK$193,737,600). CDBIH has agreed to further subscribe for, and Jade Sino has agreed to issue, 13,096 ordinary shares, representing approximately 26.19% of the enlarged issued share capital of Jade Sino, at the consideration of US$27,501,600 (equivalent to approximately HK$213,137,400).

On 29 September 2014, Jade Sino was a wholly-owned subsidiary of CDBIH, the controlling shareholder of the Company. Therefore, Jade Sino is an associate of CDBIH and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under Jade Sino Subscription Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios are more than 5%, the transaction contemplated under Jade Sino Subscription Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

On 13 November 2014, the ordinary resolution in relation to approve, ratify and confirm Jade Sino Subscription Agreement and the subscription of 11,904 ordinary shares of Jade Sino by the Company pursuant to Jade Sino Subscription Agreement (the "**Subscription**") was duly passed by the independent shareholders of the Company by way of poll at the extraordinary general meeting. Since all the conditions precedent under Jade Sino Subscription Agreement have been fulfilled and the Subscription has been completed. After the subscription, each of the Company and CDBIH, held approximately 23.81% and 76.19% of the share capital of Jade Sino, respectively.

Investment Management Agreement

On 29 August 2014, the Company entered into the new investment management agreement (the "**New Investment Management Agreement**") with HuaAn Asset Management (Hong Kong) Limited ("**HuaAn**"), pursuant to which HuaAn has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of three years commencing from 1 September 2014 and expiring on 31 August 2017, for a management fee payable of HK$350,000 per annum. HuaAn has been appointed as the investment manager of the Company with effect from 1 September 2014. During the Year, the Company incurred a fee of HK$350,000 to HuaAn.

HuaAn is a connected person of the Company pursuant to Rule 14.08 of the Listing Rules and the transactions contemplated under the New Investment Management Agreement (together with the annual caps) constitute continuing connected transactions. The management fee payable by the Company is HK$350,000 per annum, and each of the percentage ratios on an annual basis was less than 5% on 29 August 2014. The transaction contemplated under the New Investment Management Agreement thus constitutes a continuing connected transaction pursuant to Chapter 14A of the Listing Rules and are therefore subject to the reporting, announcement, annual review requirements but are exempt from the independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

HuaAn was a company incorporated on 10 June 2010 in Hong Kong with limited liability and is a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

In accordance with Rule 14A.56 of the Listing Rules, the auditor of the Company has performed certain agreed upon procedures in respect of the continuing connected transactions and reported that the transactions entered into:

(a) were approved by the Board of the Company;

(b) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

(c) were entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have not exceeded the relevant annual caps.

In accordance with Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed and approved the continuing connected transactions and confirmed that the continuing connected transactions were carried out in accordance with the following principles:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Save as disclosed above, during the Year, the Group did not enter into any connected transactions or continuing connected transactions which require the compliance with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A "Connected Transactions" of the Listing Rules. A summary of significant related party transactions that did not constitute connected transactions made during the year was disclosed in note 21 to the financial statements.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 7 February 2005 (the "**Share Option Scheme**"). As at 31 December 2015, pursuant to Rules 17.07 and 17.09 of the Listing Rules, the particulars in relation to the Share Option Scheme were as follows:

1. Purpose

To give incentive to any executive director or employee of the Company, or any director or employee of any subsidiaries from time to time of the Company

2. Participants

Any director, employee, executive of the Company, or any subsidiaries from time to time of the Company

3. The total number of ordinary securities available for issue under the scheme together with the percentage of the issued share capital that it represents as at the date of the annual report

64,711,400 ordinary shares, which represents 2.23% of the issued shares at date of this annual report

4. Maximum entitlement of each participant

Not to exceed 1% of the issued share capital in any 12 month period

5. Period within which the securities must be taken up under an option

30 calendar months commencing from the expiration of the first 6 calendar months period after the offer date of the relevant option

6. Minimum period for which an option must be held before it can be exercised

6 calendar months after the offer date of the relevant option

7. Amount payable on application or acceptance of the option

HK$10

8. Period within which payments or calls must or maybe made or loans for such purpose must be repaid

Not applicable

9. The basis of determining the exercise price

   The closing price of the share on the date of acceptance of grant or the average closing price of the 5 trading days preceding the day of acceptance of the relevant option or the nominal value of the share, whichever is higher

10. The remaining life of the share option scheme

    Valid and effective for a period of 10 years after the date of adoption of the share option scheme unless otherwise terminated under the terms of the option scheme.

As at 31 December 2015, no option had been granted by the Company since the adoption of the Share Option Scheme. There are no options outstanding as at 1 January 2015 and 31 December 2015. During the Year, there were no share options exercised, lapsed or cancelled under the Share Option Scheme.

Save as disclosed above, none of the Directors or chief executive of the Company, or their respective associates had any right to subscribe for the securities of the Company or its associated corporations, or had exercised any such right during the Year.

ARRANGEMENTS TO PURCHASE SHARES BY DIRECTORS

Details of the Company's share option scheme are set out in the section headed "Share Option Scheme" above.

No options were granted to, or exercised by, the Directors during the Year. There was no outstanding option granted to the Directors at the beginning and at the end of the Year.

Save as disclosed above, 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 debenture of the Company or any other body corporate.

CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 29 to 37.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

INVESTMENTS

Details of the Group's investments as at 31 December 2015 are set out on pages 7 to 9.

BANK LOAN, OVERDRAFTS AND OTHER BORROWINGS

On 26 August 2015, the Company entered into an amendment and restatement agreement (the "**Amendment and Restatement Agreement**") amending an original facility agreement dated 7 August 2014 among CDBIH as the borrower, Broad Sino Developments Limited, the wholly-owned subsidiary of CDBIH, as the security provider and Natixis ("**Natixis**") as the lender and calculation agent relating to a US$100,000,000 facility. Pursuant to the new facility agreement (the "**Facility Agreement**") as amended by the Amendment and Restatement Agreement, the total facility has been increased to US$180,000,000 (the "**Facility**") and Natixis, as the lender has made or will make available: (a) the Facility A which is a term loan facility in US$100,000,000 (the "**Facility A**") to CDBIH as the Facility A borrower (the "**Facility A Borrower**"); and (b) the Facility B which is a term loan facility in US$80,000,000 (the "**Facility B**") to the Company and/or CDBIH as the Facility B borrower(s) (the "**Facility B Borrower(s)**" and together with the Facility A Borrower being the "**Borrowers**"), for a term commencing from the date of the Amendment and Restatement Agreement ending on 12 September 2017. The Facility Agreement imposes a specific performance obligation on the controlling shareholder of the Company. Pursuant to the terms of the Facility Agreement, a "change of control" occurs if (A) the Facility A Borrower ceases to directly or indirectly hold, legally and beneficially: (1) more than 50% of the issued share capital of the Company; (2) issued share capital having the right to cast more than 50% of the votes capable of being cast in general meetings of the Company; or (3) the right to determine the composition of the majority of the board of directors or equivalent body of the Company; or (B) the Facility A Borrower ceases to have power to manage or direct the Company through ownership of share capital, by contract or otherwise (a "**Change of Control**"). As at 30 March 2016 (the "**Lasted Practicable Date**"), the Facility A Borrower owns approximately 66.16% of the issued share capital of the Company and is a controlling shareholder of the Company.

If a Change of Control occurs, the Facility A Borrower shall promptly notify Natixis and Natixis may, by not less than three business days' notice to the Borrowers, cancel the entire Facility and declare all outstanding loans of the Facility, together with accrued interest, and all other amounts accrued under the Finance Documents (as defined in the Facility Agreement) immediately due and payable.

The Group has no bank loan, overdraft or other borrowing outstanding as at 31 December 2015.

INTEREST CAPITALISED

There is no interest capitalised by the Group during the Year.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to Nil (2014: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

As the Group is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, there are no major customers and suppliers during the Year.

REVIEW OF THE ANNUAL RESULTS BY THE AUDIT COMMITTEE

As at 31 December 2015, all members of the audit committee of the Company (the "**Audit Committee**") are independent non-executive Directors. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The Group's 2015 annual results were reviewed and recommended to the Board for approval by the Audit Committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS' INDEPENDENCE

The Company has received, from each of the independent non-executive Directors, an annual confirmation or a confirmation letter of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the Year.

SUBSEQUENT EVENT

Details of a subsequent event of the Group are set out in note 28 to the financial statements.

AUDITOR

The consolidated financial statements for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 were audited by Deloitte Touche Tohmatsu, Certified Public Accountants, who will retire at the conclusion of the forthcoming annual general meeting and, being eligible, will offer itself for re-appointment.

By Order of the Board
China Development Bank International Investment Limited

BAI Zhe
Chairman

Hong Kong, 15 March 2016

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr BAI Zhe *(Chairman)*

Mr BAI Zhe, aged 39, has been appointed as an executive Director of the Company since 20 January 2014. He is also the chairman of the Board and the chairman of the nomination committee of the Company. He currently is the deputy chief executive officer of CDBIH. Mr BAI joined the Company in July 2012 as the managing director of the Company. He served as the chief operating officer of CDBIH from 2013 to 2014. Prior to that, Mr BAI served as the deputy division head of Direct Investment Division IV and the division head of International Business Division of CDBC from 2011 to 2014. From 1998 to 2011, Mr BAI had been working at, in chronological order, Tianjin Branch, a working mission of South America, Hong Kong Branch and International Finance Department of CDB. Mr BAI obtained a Bachelor's degree in Law from Xiamen University in 1998. Mr BAI has extensive experience in general corporate management, international banking, finance and investment management.

Mr LIU Xiao Guang

Mr LIU Xiao Guang, aged 61, has been appointed as an executive Director of the Company since April 2004. He is also a member of the remuneration committee of the Company. Mr LIU obtained a bachelor degree in economics from Beijing Commerce College in 1983. Mr LIU is a non-executive director of Beijing Capital Land Ltd. (listed on the Stock Exchange, H shares stock code: 2868) ("**BJ Capital Land**") and Beijing Capital Juda Limited (formerly known as Juda International Holdings Limited) (listed on the Stock Exchange, stock code: 1329). He was also an executive director and the chairman of BJ Capital Land for the period from December 2002 to August 2015. Mr LIU served as deputy general manager of Beijing Capital Group Co., Ltd. ("**The Capital Group**") from November 1995 to August 2000, served as its general manager from August 2000 to January 2013, served as its deputy chairman from November 1995 to January 2013 and served as its chairman from January 2013 to May 2015. In the last three years, Mr LIU was the chairman of Beijing Capital Co. Ltd. (listed on Shanghai Stock Exchange, A shares stock code: 600008), an executive director of Capital Environmental Holdings Limited (formerly known as New Environmental Energy Holdings Limited) (listed on the Stock Exchange, stock code: 3989) and a director of Beijing Capital (Hong Kong) Limited. Mr LIU was the deputy director of the Beijing Municipal Planning Commission, deputy secretary-general of the City Planning and Construction Exchange and an adjunct professor of Beijing Commerce College. He has extensive experience in the management and supervision of large investment projects, and in various sectors and industries, including finance, securities, futures, foreign currency, real estate, commerce, foreign trade, tourism, consultancy and government investment fund. Mr LIU also participated extensively in the review and approval of foreign investment projects as well as in supervising the preparation of foreign investment research and feasibility studies in Beijing.

Mr YUAN Chun *(Chief Executive Officer)*

Mr YUAN Chun, aged 45, has been appointed as an executive Director of the Company since 13 June 2014. He is also the chief executive officer of the Company. Mr YUAN served as the chief operating officer of CDBIH from December 2014. He is also a director of certain subsidiaries of the Company and CDBIH. He joined CDBIH as the managing director of the investment division in April 2013. Mr YUAN was the vice president of the Company from 13 June 2014 to 15 December 2014. Prior to CDBIH, Mr YUAN held various senior positions in several financial institutions. From 1995 to 1998, Mr YUAN worked in the People's Bank of China. From 2002 to 2008, Mr YUAN worked with Global Markets division at Deutsche Bank and was a director in Capital Markets Department in HSBC. From 2008 to 2013, Mr YUAN was a managing director in ING Bank N.V. Hong Kong Branch and a managing director of Reorient Financial Markets Limited, a wholly-owned subsidiary of Reorient Group Limited (stock code: 376). Mr YUAN holds an MBA degree from INSEAD. He also holds a bachelor degree in economics from Peking University and an M.A. degree in international finance from the Graduate School of the People's Bank of China. Mr YUAN has extensive experience in corporate investment and finance and investment banking.

Mr ZHANG Jielong *(Deputy Chief Executive Officer)*

Mr ZHANG Jielong, aged 33, has been appointed as an executive Director of the Company since 22 June 2015. He is also the Deputy Chief Executive Officer and head of Direct Investment Division of the Company. Besides, Mr ZHANG is a director of certain associates (as defined in the Listing Rules) of the Company. Currently, Mr ZHANG also serves as an executive director and head of Direct Investment Division II of CDBIH. Mr ZHANG joined the Company in August 2012. From July 2011 to August 2012, Mr ZHANG served as an advisor of CDBC. Prior to joining the group of CDB, Mr ZHANG worked at the private equity arm of Mizuho Securities' Hong Kong office as a vice president from 2007 to 2011. Mr ZHANG started his professional career at PricewaterhouseCoopers Beijing office in 2004 and worked as a senior auditor from 2004 to 2007. Mr ZHANG obtained a double bachelor degree of arts and economics from Beijing Foreign Studies University in 2004, a master degree of business administration from The Chinese University of Hong Kong in 2011 and a postgraduate diploma in finance from Tsinghua University in 2011. Mr ZHANG is a member of Hong Kong Securities and Investment Institute. Mr ZHANG has extensive experience in private equity investment and fund management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr WANG Xiang Fei

Mr WANG Xiang Fei, aged 64, has been appointed as an independent non-executive Director of the Company since 21 March 2012. He is also the chairman of the audit committee and a member of the nomination committee of the Company. Mr WANG is the vice chief financial officer of Sonangol Sinopec International Limited and the financial advisor of China Sonangol International Holding Limited. He is also an executive director of Nan Nan Resources Enterprise Limited (listed on the Stock Exchange, stock code:1229) . Besides, Mr WANG is an independent non-executive director of Tianjin Capital Environmental Protection Group Company Limited (listed on Shanghai Stock Exchange and the Stock Exchange, A shares stock code: 600874; H shares stock code: 1065) ("**Tianjin Capital**"). He was also an independent non-executive director of Tianjin Capital for the period from April 2002 to April 2008. Mr WANG has worked in senior management teams of a couple of companies engaging in banking and other financial services. Mr WANG is a senior accountant, graduated from Renmin University of China, majoring in finance and received a bachelor degree in economics. Mr WANG had worked in the Faculty of the Finance Department of Renmin University of China. In the last six years, Mr WANG was an external supervisor of Shenzhen Rural Commercial Bank and an independent non-executive director of China CITIC Bank Corporation Limited (listed on Shanghai Stock Exchange and the Stock Exchange, A shares stock code: 601998; H shares stock code: 998), Shandong Chenming Paper Holdings Limited (listed on Shanghai Stock Exchange, Shenzhen Stock Exchange and the Stock Exchange, A shares stock code: 000488; B shares stock code: 200488; H shares stock code: 1812) and SEEC Media Group Limited (listed on the Stock Exchange, stock code: 205) for three years.

Mr SIN Yui Man

Mr SIN Yui Man, aged 58, has been appointed as an independent non-executive Director of the Company since 1 September 2014. He is also the chairman of the remuneration committee and a member of the audit committee of the Company. Mr SIN has over 30 years of experience in treasury and corporate banking. Prior to joining the Company, Mr SIN served in Ping An Bank Co., Ltd., (listed on the Shenzhen Stock Exchange, stock code: 000001), Hong Kong Representative Office as the Chief Representative; Agricultural Bank of China Limited (listed on the Stock Exchange, stock code: 1288) as Alternate Chief Executive in its Hong Kong Branch; as well as in senior management positions at Standard Chartered Bank and Société Générale S.A. (SocGen) in Hong Kong. In 2011, Mr SIN was elected as a member of the Chief Executive Election Committee in Hong Kong. He is currently serving as a member in the Committee on Shopping-Related Practices of the Travel Industry Council of Hong Kong, as well as the Secretary General of the Friends of Dunhuang Hong Kong. Mr SIN is a graduate of the Social Science Faculty of the University of Hong Kong, and possesses a post-graduate degree in Master of Business Administration from INSEAD.

Mr FAN Ren Da, Anthony

Mr FAN Ren Da, Anthony, aged 55, has been appointed as an independent non-executive Director of the Company since 21 March 2012. He is also a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company. Mr FAN holds a Master's Degree in Business Administration from the United States of America. He is the chairman and managing director of AsiaLink Capital Limited. Mr FAN is also the independent non-executive director of Technovator International Limited (listed on the Stock Exchange, stock code: 1206), Raymond Industrial Limited (listed on the Stock Exchange, stock code: 229), Shanghai Industrial Urban Development Group Limited (listed on the Stock Exchange, stock code: 563), Renhe Commercial Holdings Company Limited (listed on the Stock Exchange, stock code: 1387), Tenfu (Cayman) Holdings Limited (listed on the Stock Exchange, stock code: 6868), CITIC Resources Holdings Limited (listed on the Stock Exchange, stock code: 1205), Guodian Technology & Environment Group Corporation Limited (listed on the Stock Exchange, stock code: 1296), Uni-President China Holdings Ltd. (listed on the Stock Exchange, stock code: 220), Hong Kong Resources Holdings Company Limited (listed on the Stock Exchange, stock code: 2882), LT Commercial Real Estate Limited (formerly known as LT Holdings Limited) (listed on the Stock Exchange, stock code: 112), Neo-Neon Holdings Limited (listed on the Stock Exchange, stock code: 1868) and CGN New Energy Holdings Co., Ltd. (formerly known as CGN Meiya Power Holdings Co., Ltd.) (listed on the Stock Exchange, stock code: 1811).

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Throughout the Year, the Directors believe that the Company complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the " **CG Code**") as set out in Appendix 14 to the Listing Rules for the Year.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Year.

BOARD OF DIRECTORS

As at 31 December 2015, the Board comprised seven Directors with four executive Directors, namely Mr BAI Zhe, Mr LIU Xiao Guang, Mr YUAN Chun and Mr ZHANG Jielong and three independent non-executive Directors, namely Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. Each Director possesses expertise and experience and provides checks and balances for safeguarding the interests of the Group and the shareholders as a whole. Mr WANG Xiangfei, one of the three independent non-executive Directors, possesses appropriate professional accounting qualifications and financial management expertise. The independent non-executive Directors, as equal board members, gave the board and the board committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. The independent non-executive Directors had attended the general meetings of the Company and developed a balanced understanding of the views of shareholders. The biographical details of the current Directors are set out on pages 26 to 28 of this annual report.

Diversity policy

The Company has adopted a Board diversity policy (the "**Diversity Policy**") which became effective on August 2013. This Diversity Policy aims to set out the approach to achieve diversity on the Board of Directors. All Board appointments are based on merits, and have paid due regard for the benefits of diversity on the Board in selecting candidates.

Responsibilities of Directors

The Board is responsible for formulating the overall strategic development, reviewing and monitoring the business performance of the Group, approving investment proposals as well as approving the financial statements of the Group. The independent non-executive Directors, with a wide range of expertise and a balance of skills, bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Company has received annual confirmation from each independent non-executive Director that they have met all the independence requirements set out in Rule 3.13 of Chapter 3 of the Listing Rules, the Board considers these independent non-executive Directors to be independent.

Every newly appointed director of the Company should receive a comprehensive formal and tailored induction covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed Company on appointment. Subsequently, all Directors should receive any professional development necessary to ensure that they have a proper understanding of the Company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. During the Year, Mr ZHANG Jielong had participated a director's training organized by the Company's legal adviser, Freshfields Bruckhaus Deringer, before his formal appointment as the Director of the Company. Besides, the Company had arranged the professional training to the Directors to develop and refresh their knowledge and skills relevant to the directors' duties. Mr BAI Zhe, Mr LIU Xiao Guang, Mr YUAN Chun, Mr ZHANG Jielong, Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony had participated a training provided by the external legal professional, Freshfields Bruckhaus Deringer, on 15 December 2015.

During the Year, the Company had arranged the directors and officers liability insurance cover in respect of legal action against the Directors.

Board composition

During the Year, the names of the Directors had been disclosed in all corporate communications of the Company with the independent non-executive Directors identified. Besides, the Company had maintained on the websites of the Company and the Stock Exchange an updated list of the Directors identifying their roles and functions and whether they are independent non-executive Directors.

The Board had determined regularly the disclosure in relation to each Director for any change, the number and nature of offices held in public companies or organizations and other significant commitments.

The Board

The Board meets regularly throughout the Year to review the overall strategy and to monitor the operation of the Group. The Company held four regular Board meetings for a year at approximately quarterly intervals. Notice of at least 14 days for each of the regular meetings was given to the Directors. The Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular Board meetings are sent out in full to all Directors at least 3 days before the meetings. Draft and final versions of minutes of all Board meetings are circulated to Directors for comment and records respectively within a reasonable time after the board meeting is held. Minutes of Board meetings and meetings of Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

During the Year, six physical full board meetings (of which four were regular quarterly meetings) were held and the individual attendance of each director during his tenure is set out below:

Name of Director	Number of entitled board meetings attended	Attendance rate
Executive Directors		
Mr BAI Zhe	5/6	83.33%
Mr LIU Xiao Guang	6/6	100.00%
Mr YUAN Chun	6/6	100.00%
Mr ZHANG Jielong [Note]	4/4	100.00%
Independent Non-executive Directors		
Mr WANG Xiangfei	6/6	100.00%
Mr SIN Yui Man	6/6	100.00%
Mr FAN Ren Da, Anthony	6/6	100.00%

Note: appointed on 22 June 2015

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. During the Year, Mr BAI Zhe and Mr YUAN Chun were the chairman and chief executive officer of the Company respectively. The roles of the chairman and chief executive officer are segregated with a clear division of responsibilities and are not exercised by the same individual. The chairman of the Board, Mr BAI Zhe, is an executive Director who is responsible for the leadership and effective running of the Board. The chief executive officer, Mr YUAN Chun, is an executive Director who exercises all the powers, authorities and discretions that may be delegated to him by the Board in respect of the Group.

During the Year, the chairman of the Board, Mr BAI Zhe, had ensured that all Directors are properly briefed on issues arising at Board meeting. He was responsible for ensuring that all Directors receive, in a timely manner, adequate information regarding the operation and governance of the Company which must be accurate, clear, complete and reliable.

RE-ELECTION OF DIRECTORS

Each of the executive Directors of the Company has entered into a service contract with the Company for a term of three years. However, such term is subject to his re-appointment by the Company at general meeting upon retirement by rotation pursuant to the Articles. In accordance with the relevant provisions in the Articles, the appointment of Directors is considered by the Board and they must stand for election by shareholders at the relevant annual general meeting.

NON-EXECUTIVE DIRECTORS

The non-executive Director (if any) and independent non-executive Directors of the Company are appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the provisions of the Articles.

AUDIT COMMITTEE

As at 31 December 2015, the Audit Committee comprised three members, namely, Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. During the Year, all members of the Audit Committee were independent non-executive Directors. The chairman of the Audit Committee is Mr WANG Xiangfei, an independent non-executive Director of the Company. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules.

The members of the Audit Committee meet regularly to review the reporting of financial and other information to shareholders, the internal control systems, risk management, the effectiveness and objectivity of the audit process. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The terms of reference of the Audit Committee which explained the role and the authority delegated to the Audit Committee by the Board adopted and revised in 2015 is available on the websites of the Company and the Stock Exchange.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the Year.

During the Year, two Audit Committee meetings were held and the individual attendance of each member during his tenure is set out below:

Name of Director	Number of Audit Committee meetings attended	Attendance rate
Mr WANG Xiangfei	2/2	100.00%
Mr SIN Yui Man	2/2	100.00%
Mr FAN Ren Da, Anthony	2/2	100.00%

REMUNERATION COMMITTEE

As at 31 December 2015, the Remuneration Committee of the Company (the "**Remuneration Committee"**) comprised three members, namely Mr LIU Xiao Guang, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. During the Year, the majority members of the Remuneration Committee were independent non-executive Directors. The chairman of the Remuneration Committee is Mr SIN Yui Man, an independent non-executive Director of the Company. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of Directors and senior management. The terms of reference of the Remuneration Committee which explained the role and the authority delegated to the Remuneration Committee by the Board was adopted and revised in 2012 and is available on the websites of the Company and the Stock Exchange.

In determining the emolument payable to Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions of the Group and the desirability of performance-based remuneration. During the Year, the Remuneration Committee had made recommendations to the Board on the Group's overall remuneration policy, the remuneration packages of individual executive Directors and senior management.

During the Year, two Remuneration Committee meetings were held and the individual attendance of each member during his tenure is set out below:

Name of Director	Number of Remuneration Committee meetings attended	Attendance rate
Mr LIU Xiao Guang	2/2	100.00%
Mr SIN Yui Man	2/2	100.00%
Mr FAN Ren Da, Anthony	2/2	100.00%

NOMINATION COMMITTEE

As at 31 December 2015, the nomination committee of the Company (the "**Nomination Committee**") comprised three members, namely Mr BAI Zhe, Mr WANG Xiangfei and Mr FAN Ren Da, Anthony. During the Year, the majority members of the Nomination Committee were independent non-executive Directors. The chairman of the Board, Mr BAI Zhe is also the chairman of the Nomination Committee. The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee also performs the duties to (a) identify individuals suitably qualified to become Board members and to select or to make recommendations to the Board on the selection of individuals nominated for directorship; (b) to assess the independence of independent non-executive directors; (c) to make recommendations to the Board concerning the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive officer; and (d) to perform any other duties prescribed by law, regulation and rules, as amended from time to time, which set forth obligations for the Company to comply with. The terms of reference of the Nomination Committee which explained the role and the authority delegated to the Nomination Committee by the Board was adopted in 2012 is available on the websites of the Company and the Stock Exchange. During the Year, the Nomination Committee had reviewed the progress of implementation of Diversity Policy and the structure, size and composition of the Board including the Directors' skills, knowledge and experience and had made recommendations to the Board on the appointment of the individuals as the Director and chief executive of the Company.

During the Year, one Nomination Committee meeting was held and the individual attendance of each member during his tenure is set out below:

Name of Director	Number of Nomination Committee meeting attended	Attendance rate
Mr BAI Zhe	1/1	100.00%
Mr WANG Xiangfei	1/1	100.00%
Mr FAN Ren Da, Anthony	1/1	100.00%

AUDITOR'S REMUNERATION

Deloitte was appointed by the shareholders as the Company's auditor at the annual general meeting held on 18 June 2015 (the "**AGM 2015**"). The audit services engagement for 2015 had been reviewed and approved by the Audit Committee.

During the Year, the remuneration paid to Deloitte for the audit and non-audit services rendered to the Group were as follows:

	HK$
Interim review services Note 1	399,000
Annual audit services Note 2	1,028,000
Other non-audit services Note 3	350,000

Notes:

1. The external auditor had reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2015.

2. The external auditor had provided the audit services to the Company for the Year.

3. The external auditor had provided tax compliance services and other services in relation to the review on results announcement and continuing connected transaction for the Year.

COMPANY SECRETARY

Under the Code Provision F.1.3 of the CG Code, the company secretary should report to the board chairman and/or the chief executive. Mr WONG Kwok Ho was the company secretary of the Company and directly reported to Mr BAI Zhe, the chairman of the Board, for the period from 1 January to 16 October 2015. Ms CHAN Mei Ngor was appointed as the company secretary of the Company with effect from 16 October 2015. Ms CHAN directly reports to Mr BAI Zhe, the chairman of the Board.

Pursuant to Rule 3.29 of the Listing Rules, in each financial year the company secretary of the Company must take no less than 15 hours of relevant professional training. A person who was a company secretary of the company on or after 1 January 2005 must comply with Rule 3.29 of the Listing Rules for the financial year commencing on or after 1 January 2012. Mr WONG Kwok Ho was the company secretary of the Company for the period from 1 January to 16 October 2015. Mr WONG confirmed that he had taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules during the Year. Ms CHAN Mei Ngor, the company secretary of the Company confirmed that she had taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules during the Year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility to prepare financial statements for each half and full financial year which give a true and fair view of the state of affairs of the Group. The Directors also ensure the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency in communicating with shareholders and the investment community at large. The Company is committed to maintain an open and effective communication policy to update its shareholders and investors on relevant information on its business through the annual general meeting, the annual and interim reports, notices, announcements, circulars as well as Company's website.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors.

Calling an extraordinary general meeting

Pursuant to the Articles 58, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company at the principal place of business in Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must (i) state the objects of the meeting, (ii) state the name(s) of the requisitionist(s), (iii) the contact details of the requisitionist(s), (iv) the number of ordinary shares of the Company held by the requisitionist(s), (v) be signed by the requisitionist(s) and (vi) be deposited at the Company's head office and principal place of business in Hong Kong at Suites 4506-4509, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong.

Putting enquiries to the Board

Shareholders of the Company may send their enquiries requiring the Board's attention to the company secretary of the Company at the Company's head office and principle office in Hong Kong. Questions about the procedures for convening or putting forward proposals at the annual general meeting or extraordinary general meeting may also be put to the company secretary by the same means.

Putting forward proposals at general meetings

Article 89 provides that no person, other than a retiring Director of the Company at the meeting, shall be eligible for election to the office of Director of the Company at any general meeting unless:

(i) such person is recommended by the Directors of the Company; or

(ii) a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office (as defined in the Articles) provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a Director of the Company at any general meeting, the following documents must be validly served on the company secretary of the Company within the abovementioned period at the head office or at the registered office of the Company, namely:

(i) the shareholder's signed notice of intention to propose a person for election as Director of the Company at the general meeting;

(ii) a notice signed by the nominated candidate indicated his/her willingness to be appointed;

(iii) the candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and

(iv) the candidate's written consent to the publication of his/her personal information.

General meetings

On 18 June 2015, the Company had convened the AGM 2015 at 10th Floor, Winland International Financial Center, No. 7 Financial Street, Xicheng District, Beijing, People's Republic of China. At the AGM 2015, the shareholders of the Company had passed the ordinary resolutions in relation to (i) receive and consider the audited consolidated financial statements together with the reports of directors and auditor of the Company for the year ended 31 December 2014; (ii) re-elect the retiring Directors and authorize the Board to fix the remuneration of the Directors; (iii) appoint Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, as the auditor of the Company and to authorize the Board to fix their remuneration; and (iv) grant the general mandate to the Directors to exercise the powers of the Company to issue and repurchase shares of the Company.

The individual attendance of each Director at the general meeting of the Company during his tenure is set out below:

Name of Director	Number of entitled general meeting attended	Attendance rate
Executive Directors		
Mr BAI Zhe	1/1	100.00%
Mr LIU Xiao Guang	1/1	100.00%
Mr YUAN Chun	1/1	100.00%
Independent Non-executive Directors		
Mr WANG Xiangfei	1/1	100.00%
Mr SIN Yui Man	1/1	100.00%
Mr FAN Ren Da, Anthony	1/1	100.00%

The forthcoming annual general meeting of the Company will be held on Thursday, 16 June 2016 at 10th Floor, Winland International Financial Center, No. 7 Financial Street, Xicheng District, Beijing, People's Republic of China at 11:00 a.m. As at the date of this report, the Company issued 2,902,215,360 ordinary shares of HK$0.01 each in the share capital of the Company.

INTERNAL CONTROLS

Mr WONG Kwok Ho, the qualified accountant who was also the company secretary of the Company had performed a review on the internal control systems of the Company during 2015. The report was submitted to the Audit Committee to review. The Board through the Audit Committee has conducted a review of the effectiveness of the internal control system of the Company annually which cover all material controls, including financial, operational and compliance control and risk management functions. The annual review is to ensure the reasonable assurance on the following areas:–

(i) control environment: organization structure, attitudes, awareness and actions in relation to the governance and management;

(ii) entity's risk assessment process;

(iii) information system;

(iv) control activities: segregation of duties, physical control activities, authorization and approval procedure, arithmetical and account, supervision, management information and general controls and monetary receipts and payments.

Under the Code Provision C2.6 of the CG Code with effect from 1 January 2016, the Company should have an internal audit function. The Audit Committee is aware that the Company should have an internal audit function to process the effectiveness of the risk management and internal control system. During the Year, the Audit Committee had reviewed annually the need to establish internal audit function to improve the effectiveness of risk management, control and governance process. The Company will consider to share the CDB group resources to carry out the internal audit function of the Company.

The Board ensures the inside information is kept strictly confidential until the relevant announcement is made. The Directors are not aware any significant areas which need to brought to the attention of the shareholders of the Company.

The compliance manual of the Company (the "**Compliance Manual**") applicable to the employees and the Directors was adopted in 2012. The Compliance Manual stated the policy of the Company in relation to the compliance responsibility, ethnical conduct, confidentiality, insider dealing, Chinese Walls, conflicts of interest, inducements, personal investment policy, anti-money laundering policy, complaints, criticisms and legal actions policy, whistleblowing policy and corporate governance policy. The Board determinates the policy for the corporate governance of the Company and is responsible for the compliance for such policy.

Deloitte.
德勤

TO THE SHAREHOLDERS OF
CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED
國開國際投資有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Development Bank International Investment Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 40 to 79, which comprise the consolidated statement of financial position as at 31 December 2015, 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.

DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the 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 the 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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 the 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 financial position of the Group as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
15 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	NOTES	2015 HK$	2014 HK$
Investment income	6	**34,597,808**	52,727,655
Change in fair value of financial assets held for trading		**400,496**	(14,582,486)
Change in fair value of investments designated at fair value through profit or loss	23(c)	**97,966,455**	25,468,016
Interest income		**250,913**	1,902,037
General and administrative expenses		**(19,229,243)**	(20,197,545)
Share of results of associates		**4,311,703**	3,632,484
Profit before taxation		**118,298,132**	48,950,161
Income tax expense	7	**(5,037,084)**	(391,188)
Profit for the year attributable to owners of the Company	8	**113,261,048**	48,558,973
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**(4,383,767)**	(236,085)
Other comprehensive income for the year		**(4,383,767)**	(236,085)
Total comprehensive income for the year attributable to owners of the Company		**108,877,281**	48,322,888
Earnings per share			
– Basic (HK cents)	12	**3.90**	1.67

Consolidated Statement of Financial Position

At 31 December 2015

	NOTES	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment	13	**–**	–
Interests in associates	14	**70,777,676**	72,415,974
Financial assets at fair value through profit or loss	15	**218,000,293**	196,342,657
Prepayment	16	**195,000,000**	–
		483,777,969	268,758,631
Current assets			
Financial assets at fair value through profit or loss	15	**163,785**	434,130,306
Other receivables, prepayments and deposits		**490,971**	206,510
Bank balances and cash	17	**748,578,554**	414,901,459
		749,233,310	849,238,275
Current liabilities			
Other payables and accruals	18	**4,097,594**	2,840,963
Tax payable		**4,419,982**	–
		8,517,576	2,840,963
Net current assets		**740,715,734**	846,397,312
Total assets less current liability		**1,224,493,703**	1,115,155,943
Non-current liability			
Deferred taxation	19	**2,972,962**	2,512,483
Net assets		**1,221,520,741**	1,112,643,460
Capital and reserves			
Share capital	20	**29,022,154**	29,022,154
Reserves		**1,192,498,587**	1,083,621,306
		1,221,520,741	1,112,643,460
Net asset value per share	27	**0.42**	0.38

The financial statements on pages 40 to 79 were approved and authorised for issue by the directors on 15 March 2016 and are signed on its behalf by:

BAI Zhe
DIRECTOR

YUAN Chun
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Attributable to owners of the Company						
	Share capital HK$	Share premium HK$	Special reserve HK$ (Note)	Exchange reserve HK$	Capital redemption reserve HK$	Accumulated losses HK$	Total HK$
At 1 January 2014	29,022,154	1,043,800,995	382,880,958	15,723,003	270,200	(407,376,738)	1,064,320,572
Exchange differences arising on translation	–	–	–	(236,085)	–	–	(236,085)
Profit for the year	–	–	–	–	–	48,558,973	48,558,973
Total comprehensive (expense) income for the year	–	–	–	(236,085)	–	48,558,973	48,322,888
At 31 December 2014	29,022,154	1,043,800,995	382,880,958	15,486,918	270,200	(358,817,765)	1,112,643,460
Exchange differences arising on translation	**-**	**-**	**-**	**(4,383,767)**	**-**	**-**	**(4,383,767)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**113,261,048**	**113,261,048**
Total comprehensive (expense) income for the year	**-**	**-**	**-**	**(4,383,767)**	**-**	**113,261,048**	**108,877,281**
At 31 December 2015	**29,022,154**	**1,043,800,995**	**382,880,958**	**11,103,151**	**270,200**	**(245,556,717)**	**1,221,520,741**

Note: Special reserve represents the difference between the amount recorded as share capital issued by the Company pursuant to a scheme of arrangement which became effective in April 2005 under section 166 of the Hong Kong Companies Ordinance in respect of ING Beijing Investment Company Limited ("**ING Beijing**") and the amount recorded for the share capital of ING Beijing acquired. ING Beijing was liquidated in November 2005.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	2015 HK$	2014 HK$
Operating activities		
Profit before taxation	**118,298,132**	48,950,161
Adjustments for:		
Depreciation of property, plant and equipment	**–**	5,783
Interest income	**(250,913)**	(1,902,037)
Share of results of associates	**(4,311,703)**	(3,632,484)
Change in fair value of financial assets held for trading	**(400,496)**	14,582,486
Change in fair value of investments designated at fair value through profit or loss	**(97,966,455)**	(25,468,016)
Operating cash flows before movements in working capital	**15,368,565**	32,535,893
(Increase) decrease in other receivables, prepayments and deposits	**(195,284,461)**	23,056,394
Increase (decrease) in other payables and accruals	**1,256,631**	(3,443,849)
Cash (used in) generated from operations	**(178,659,265)**	52,148,438
Income taxes paid	**(156,623)**	–
Net cash (used in) from operating activities	**(178,815,888)**	52,148,438
Investing activities		
Interest received	**250,913**	1,902,037
Dividend received from an associate	**1,566,234**	2,323,901
Proceeds from disposal of financial assets held for trading	**11,700,000**	32,785,952
Repayment of principal of investments designated at fair value through profit or loss	**498,975,836**	78,000,000
Purchase of financial assets at fair value through profit or loss	**–**	(194,987,520)
Net cash from (used in) investing activities	**512,492,983**	(79,975,630)
Net increase (decrease) in cash and cash equivalents	**333,677,095**	(27,827,192)
Cash and cash equivalents at the beginning of the year	**414,901,459**	442,728,651
Cash and cash equivalents at the end of the year, represented by bank balances and cash	**748,578,554**	414,901,459

Notes to the Consolidated Financial Statements

For the year ended 31 December 2015

1. GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate parent company is China Development Bank International Holdings Limited, a private limited company established in Hong Kong and its ultimate parent company is China Development Bank Corporation ("**CDB**"), a wholly state-owned policy bank established on 17 March 1994 in the People's Republic of China ("**PRC**"). CDB is a joint stock commercial bank established jointly by the Ministry of Finance ("**MOF**") and Central Huijin Investment Ltd ("**Huijin**"). The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The principal activities of the Company and its subsidiaries (the "**Group**") are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities and equity and debt related securities in listed and unlisted entities on a global basis. Details of the principal activities of the Company's subsidiaries are set out in note 26.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

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

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

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs 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.

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

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

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

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after a date to be determined

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on the analysis of the Group's financial instruments as at 31 December 2015.

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

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The directors of the Company are in process of assessing the impact on the application of HKFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 Presentation of Financial Statements give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

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

Annual Improvements to HKFRSs 2012-2014 Cycle (continued)

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 ("**Listing Rules**") and by the Hong Kong Companies Ordinance ("**CO**").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or 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 realisable value in HKAS 2 or value in use in HKAS 36.

3. 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 significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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 they control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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 subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing 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 are adjusted to reflect the changes in their relative interests in the subsidiaries.

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 and liabilities of the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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 the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Group's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items 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.

Leasing

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on 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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses for tangible assets

At the end of the 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 immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as financial assets at fair value through profit or loss ("**FVTPL**") and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 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 other than those financial assets classified as FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets at FVTPL have two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with changes in fair value arising from remeasurement directly recognised in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets. Fair value is determined in the manner described in note 23(c).

3. 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. Subsequent to initial recognition, loans and receivables (including other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

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 loss 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities 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 Company are recorded at the proceeds received, net of direct issue costs.

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 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 carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including other payables) are subsequently measured at amortised cost, using the effective interest method.

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.

On derecognition of a financial asset, 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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 those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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 the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax 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 rates (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.

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 to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management has made various 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 past experience, expectations of the future and other information that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

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

Fair value of financial instruments

The Group selects appropriate valuation techniques for financial instruments not quoted in an active market and making assumptions that are based on market conditions existing at the end of each reporting period. Valuation techniques commonly used by market practitioners are applied. The inputs are taken from observable markets where possible, but where this is not feasible, unobservable data is used based on the directors' judgement.

For the valuation of unlisted derivative financial instruments that are classified as financial assets at fair value through profit or loss as set out in note 15, appropriate assumptions are used based on unobservable data as adjusted for specific features of the instruments. The carrying amounts of these financial instruments at 31 December 2015 are HK$218,164,078 (2014: HK$630,472,963).

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has delegated the valuation work to finance division, which is headed up by the vice president of finance division of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance division works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The vice president of finance division of the Company reports the finance division's findings to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 23 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

5. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors. The Group's principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's investment portfolio, including financial assets at fair value through profit or loss. Information provided to the CODM includes fair value of the respective investees, the Group's financial assets at fair value through profit or loss portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore no separate segment information is prepared by the Group.

The management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office.

The Group's non-current assets (other than financial instruments) are located in the PRC, which is based on the operations of the associates and the physical location of the property, plant and equipment.

The Group's revenue was all derived from the Group's operation which is located in Hong Kong.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

6. INVESTMENT INCOME

	2015 **HK$**	2014 HK$
Dividend income from financial assets held for trading	**–**	1,050,489
Interest income from investments designated at fair value through profit or loss	**34,597,808**	51,677,166
	34,597,808	52,727,655

7. INCOME TAX EXPENSE

	2015 HK$	2014 HK$
Current tax		
Hong Kong Profits Tax	**4,419,982**	–
Withholding tax	**156,623**	–
	4,576,605	–
Deferred taxation on withholding tax on undistributed earnings of associates		
Current year (note 19)	**460,479**	391,188
	5,037,084	391,188

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the current year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong in prior year.

Under the Enterprise Income Tax Law of PRC, withholding tax of 10% is imposed on dividends declared in respect of profits earned by PRC associates from 1 January 2008 onwards.

The income tax expense for the year can be reconciled to the profit before taxation as follows:

	2015 HK$	2014 HK$
Profit before taxation	**118,298,132**	48,950,161
Tax at the Hong Kong Profits Tax rate of 16.5%	**19,519,192**	8,076,777
Tax effect of expenses not deductible for tax purpose	**533,683**	448,766
Tax effect of income not taxable for tax purpose	**(21,315,413)**	(4,909,839)
Tax effect of share of results of associates	**(711,431)**	(599,360)
Tax effect of tax loss not recognised	**163**	–
Utilisation of tax losses previously not recognised	**(8,368,998)**	(3,016,418)
Tax effect of temporary differences	**14,762,786**	74
Tax effect of undistributed earnings of associates	**460,479**	391,188
Withholding tax paid for distributed profits of investments in the PRC	**156,623**	–
Income tax expense for the year	**5,037,084**	391,188

8. PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2015 HK$	2014 HK$
Profit for the year attributable to owners of the Company has been arrived at after charging:		
Auditor's remuneration	**1,028,000**	1,020,000
Directors' fee (note 9)	**400,000**	400,000
Other staff costs (note)		
Basic salaries and other benefits	**7,701,958**	10,562,382
Retirement benefits contribution	**284,952**	434,385
Total staff costs	**8,386,910**	11,396,767
Investment management fees	**350,000**	183,334
Depreciation of property, plant and equipment	**–**	5,783
Legal and professional fees	**5,586,329**	3,429,702

Note:

During the year ended 31 December 2015, the Group paid HK$1,073,701 (2014: HK$1,012,787) services fee to a personnel services company which providing staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company and the chief executive were as follows:

	Directors' fee HK$	Basic salaries and other benefits HK$	Retirement benefits contributions HK$	Total HK$
For the year ended 31 December 2015				
Mr BAI Zhe (note c)	–	–	–	–
Mr LIU Xiao Guang	100,000	–	–	100,000
Mr YUAN Chun (chief executive officer) (note d)	–	–	–	–
Mr WANG Xiangfei	100,000	–	–	100,000
Mr FAN Ren Da, Anthony	100,000	–	–	100,000
Mr SIN Yui Man (note f)	100,000	–	–	100,000
Mr ZHANG Jielong (deputy chief executive officer) (note g)	–	–	–	–
	400,000	–	–	400,000

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

	Directors' fee HK$	Basic salaries and other benefits HK$	Retirement benefits contributions HK$	Total HK$
For the year ended 31 December 2014				
Mr ZHANG Xuguang (note a)	–	–	–	–
Mr TENG Rongsong (former chief executive officer) (note b)	–	–	–	–
Mr BAI Zhe (note c)	–	–	–	–
Mr LIU Xiao Guang	100,000	–	–	100,000
Mr YUAN Chun (chief executive officer) (note d)	–	–	–	–
Mr WANG Xiangfei	100,000	–	–	100,000
Mr LU Gong (note e)	66,667	–	–	66,667
Mr FAN Ren Da, Anthony	100,000	–	–	100,000
Mr SIN Yui Man (note f)	33,333	–	–	33,333
	400,000	–	–	400,000

Notes:

(a) Mr ZHANG Xuguang has resigned as non-executive director of the Company with effect from 4 April 2014.

(b) Mr TENG Rongsong has resigned as executive director of the Company with effect from 15 December 2014

(c) Mr BAI Zhe has been appointed as executive director of the Company with effect from 20 January 2014.

(d) Mr YUAN Chun has been appointed as a chief executive officer and an executive director with effect from 13 June 2014.

(e) Mr LU Gong has resigned as independent non-executive director of the Company with effect from 1 September 2014.

(f) Mr SIN Yui Man has been appointed as independent non-executive director of the Company with effect from 1 September 2014.

(g) Mr ZHANG Jielong has been appointed as a deputy chief executive officer and an executive director with effect from 22 June 2015.

None of the directors (2014: nil) waived any emoluments for the year. No incentives were paid by the Group to the directors as inducement to join, or upon joining the Group, or as compensation for loss of office.

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none of them (2014: nil) were directors of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments of the five (2014: five) individuals were as follows:

	2015 HK$	2014 HK$
Basic salaries and other benefits	**5,218,677**	7,079,062
Retirement benefits contributions	**194,591**	280,953
	5,413,268	7,360,015

Their emoluments were within the following bands:

	2015 No. of individuals	2014 No. of individuals
Nil to HK$1,000,000	**2**	–
HK$1,000,001 to HK$1,500,000	**2**	3
HK$1,500,001 to HK$2,000,000	**1**	2
	5	5

No incentive was paid by the Group to the above individuals as inducements to join, or upon joining the Group.

11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: nil).

12. EARNINGS PER SHARE

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

	2015 HK$	2014 HK$
Earnings		
Profit for the year attributable to owners of the Company and earnings for the purpose of basic earnings per share	**113,261,048**	48,558,973

12. EARNINGS PER SHARE (continued)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,902,215,360**	2,902,215,360

No diluted earnings per share has been presented for both years as there were no potential ordinary share for both years.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Furniture and fixtures HK$	Total HK$
COST			
At 1 January 2014, 31 December 2014 and 2015	**401,733**	**357,522**	**759,255**
DEPRECIATION			
At 1 January 2014	401,733	351,739	753,472
Provided for the year	–	5,783	5,783
At 31 December 2014	401,733	357,522	759,255
Provided for the year	–	–	–
At 31 December 2015	**401,733**	**357,522**	**759,255**
CARRYING VALUES			
At 31 December 2015	**–**	**–**	**–**
At 31 December 2014	–	–	–

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual values at the following rates per annum:

Leasehold improvements	$33^1/_3$%
Furniture and fixtures	$33^1/_3$%

As at 31 December 2015, the Group had gross carrying amount of fully depreciated property, plant and equipment of HK$759,255 (2014: HK$759,255) that is still in use.

14. INTERESTS IN ASSOCIATES

	2015 HK$	2014 HK$
Cost of investment in associates	**125,766,128**	125,766,128
Share of post-acquisition results and other comprehensive income, net of dividend received	**(54,988,452)**	(53,350,154)
	70,777,676	72,415,974

Details of each of the Group's associates as at 31 December 2015 and 2014 are set out as follows:

Name of associate	Form of entity	Place of incorporation/ establishment	Place of operation	Equity interest attributable to the Group		Proportion of voting power held		Principal activities
				31 December 2015	31 December 2014	**31 December 2015**	31 December 2014	
Beijing Far East Instrument Company Limited	Incorporated	PRC	PRC	**25%**	25%	**25%**	25%	Manufacture of electronic and electrical instruments
China Property Development (Holdings) Limited	Incorporated	The Cayman Islands	PRC	**33.42%**	33.42%	**20.49%**	20.49%	Investment holding

Summarised financial information of associates

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

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

Beijing Far East Instrument Company Limited ("**BJFE**")

	At 31 December 2015 HK$	At 31 December 2014 HK$
Non-current assets	**89,174,456**	97,454,043
Current assets	**645,151,736**	594,420,300
Current liabilities	**(413,619,061)**	(392,241,756)
Non-current liabilities	**(38,497,865)**	(12,042,543)

14. INTERESTS IN ASSOCIATES (continued)

Beijing Far East Instrument Company Limited ("**BJFE**") (continued)

	Year ended 31 December 2015 HK$	Year ended 31 December 2014 HK$
Revenue	**928,123,520**	958,742,732
Profit and total comprehensive income for the year	**19,805,621**	15,647,505
Dividends received from the associate during the year	**1,566,234**	2,323,901

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

	At 31 December 2015 HK$	At 31 December 2014 HK$
Net assets of BJFE	**282,209,266**	287,590,044
Proportion of the Group's ownership interest in BJFE	**25%**	25%
Carrying amount of the Group's interest in BJFE	**70,552,317**	71,897,511

China Property Development (Holdings) Limited ("**CPDH**")

	At 31 December 2015 HK$	At 31 December 2014 HK$
Current assets	**23,385,749**	25,091,563
Current liabilities	**(22,711,424)**	(23,540,205)

	Year ended 31 December 2015 HK$	Year ended 31 December 2014 HK$
Loss and total comprehensive expense for the year	**(877,031)**	(835,996)

14. INTERESTS IN ASSOCIATES (continued)

China Property Development (Holdings) Limited ("**CPDH**") (continued)

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

	At 31 December 2015 HK$	At 31 December 2014 HK$
Net assets of CPDH	**674,325**	1,551,358
Proportion of the Group's ownership interest in CPDH	**33.42%**	33.42%
Carrying amount of the Group's interest in CPDH	**225,359**	518,463

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK$	2014 HK$
Unlisted overseas senior secured guaranteed convertible notes[1] (i)	**–**	182,587,019
Unlisted overseas loan[1] and warrant instrument and related put rights[2] (ii)	**–**	49,764,000
Unlisted local convertible bond[1] and warrant[2] (iii)	**163,785**	202,868,576
Unlisted overseas securites[1] (iv)	**218,000,293**	195,253,368
	218,164,078	630,472,963
Analysed to reporting purpose as		
Non-current assets	**218,000,293**	196,342,657
Current assets	**163,785**	434,130,306
	218,164,078	630,472,963

1 The amounts represent investments designated at fair value through profit or loss

2 The amounts represent financial assets held for trading

Certain financial assets of the Group are designated at fair value through profit or loss because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(i) On 28 December 2012, the Group subscribed senior, secured and guaranteed convertible notes issued by North Sea Rigs Holdings Limited ("**NSR Holdings**") denominated in United States dollars ("**US$**"). NSR Holdings is a company incorporated in the Cayman Islands, principally engaged in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. The convertible notes bear interest at 5.0% per annum on the principal amount of the convertible notes from the issue date to the final maturity date, which is the date falling three years after the issue date. The interest is payable semi-annually in arrears on the last day of each interest period.

As at 31 December 2014, the fair value of the convertible notes was HK$182,587,019. The convertible notes have been matured and settled in December 2015.

(ii) On 27 June 2013, the Group had entered into a facility agreement and a warrant instrument agreement relating to the warrant instrument with put rights with Jinqiao Investments Limited ("**Jinqiao**"). Jinqiao is a company incorporated in the British Virgins Islands ("**BVI**"), principally engaged in trading meat and food processing, in pork and pork products, and vegetables and fruits in the PRC. Under the aforementioned agreement, the Group has provided a mezzanine facility of US$20,000,000 to Jinqiao with a 20% interest rate per annum on outstanding balance for 2 years and received the warrant issued by Jinqiao to entitle the Group to subscribe for 740,740 ordinary shares of Jinqiao at the exercise price of US$13.50 per ordinary share at any time before 27 June 2015 for an aggregate exercise price up to US$10,000,000.

As at 31 December 2014, the fair values of the loan amount and warrant with related put rights amount were HK$39,390,000 and HK$10,374,000 respectively. The loan has been matured and settled in June 2015. The warrant has been redeemed by Jinqjao in June 2015 and settled in August 2015.

(iii) On 24 November 2013, the Group and Yingde Gases Group Company Limited (盈德氣體集團有限公司) ("**Yingde Gases**") had entered into the investment agreement whereby Yingde Gases issued and the Group subscribed for (i) the principal amount of US$25,000,000 8% coupon convertible bond due 2015; and (ii) at nil consideration, 18,953,853 warrant exercisable to purchase ordinary shares of US$0.000001 each in the capital of Yingde Gases. Yingde Gases is a company incorporated in the Cayman Islands, principally engaged in the production and sales of industrial gases.

As at 31 December 2015, the fair value of the convertible bond and warrant are Nil (2014: HK$201,779,287) and HK$163,785 (2014: HK$1,089,289) respectively. The convertible bond has been matured and settled in November 2015.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(iv) On 29 September 2014, the Group has entered into a share subscription agreement ("**the Jade Sino Subscription Agreement**") with China Development Bank International Holdings Limited ("**CDBIH**") and Jade Sino Ventures Limited ("**Jade Sino**"), the Group and CDBIH subscribed 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the enlarged issued share capital of Jade Sino, respectively.

The principal asset of Jade Sino was preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**"). Jinkosolar Power is a company incorporated in the Cayman Islands, principally engaged in developing, building and operating photovoltaic power stations in the PRC. The preferred shares may, at the option of Jade Sino, be converted into fully paid ordinary shares of Jinkosolar Power. In addition, the preferred shares are redeemable at the option of Jade Sino after 30 months from the subscription date.

As at 31 December 2015, the fair value of the ordinary shares of Jade Sino is HK$218,000,293 (2014: HK$195,253,368). The carrying amount of the ordinary shares exceeded 10% of the assets of the Group at 31 December 2015.

The information of the fair values of financial assets at fair value through profit or loss is disclosed in note 23(c).

16. PREPAYMENT

The balance represents the prepayment paid to Jolly Investment Limited to acquire certain registered share capital of a sino-foreign Equity Joint Ventures, which was established in PRC.

17. BANK BALANCES AND CASH

	2015 HK$	2014 HK$
Fixed deposits with banks with maturity less than three months	**71,092,072**	70,875,107
Cash at banks and in hand	**677,486,482**	344,026,352
	748,578,554	414,901,459

Bank balances and cash comprise short-term bank deposits carrying interest at prevailing deposits rates which range from 0.70% to 1.20% (2014: 0.59% to 1.20%) per annum.

18. OTHER PAYABLES AND ACCRUALS

	2015 HK$	2014 HK$
Accrued operating expenses	**4,097,594**	2,840,963

19. DEFERRED TAXATION LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	Unrealised profits HK$	**Tax losses** HK$	**Undistributed profits of an associate** HK$	**Total** HK$
At 1 January 2014	1,611,370	(1,611,370)	2,121,295	2,121,295
Recognised in profit or loss (note 7)	(1,611,370)	1,611,370	391,188	391,188
At 31 December 2014	–	–	2,512,483	2,512,483
Recognised in profit or loss (note 7)	–	–	460,479	460,479
At 31 December 2015	**–**	**–**	**2,972,962**	**2,972,962**

At the end of the reporting period, the Group had unused tax losses of Nil (2014: HK$66,963,582) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams in prior year.

At the end of the reporting period, the Group has deductible temporary differences of HK$23,409 (2014: HK$27,806). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

20. SHARE CAPITAL

	Number of shares	**Share capital** HK$
Shares of HK$0.01 each		
Authorised:		
At 1 January 2014, 31 December 2014 and 2015	12,000,000,000	120,000,000
Issued and fully paid:		
At 1 January 2014, 31 December 2014 and 2015	2,902,215,360	29,022,154

21. RELATED PARTY TRANSACTIONS

(a) On 20 September 2006, the Group entered into a custodian agreement with Orangefield Management (Hong Kong) Limited ("**Orangefield**"). Orangefield is the custodian of the Group. During the year, the Group has incurred a custodian fee of HK$60,000 (2014: HK$60,000) to Orangefield.

(b) On 9 March 2012, the Group entered into a renewed investment management agreement with KBR Management Limited ("**KBR**"). KBR is the investment manager of the Group. The Investment Management Agreement expired on 28 February 2014 and KBR has ceased to be the investment manager of the Company with effect from the same date. During the year, the Group incurred a fee of Nil (2014: HK$66,667) to KBR.

(c) On 29 August 2014, the Group entered into an investment management agreement with Hua An Asset Management (Hong Kong) Limited ("**Hua An**"). Hua An is the investment manager of the Group with effect from 1 September 2014. During the year, the Group has incurred a fee of HK$350,000 (2014: HK$116,667) to Hua An.

(d) Compensation of key management personnel

The remuneration of directors of the Company and other members of the key management during the year was as follows:

	2015 **HK$**	2014 HK$
Short term benefits	**5,618,677**	7,079,062
Post-employment benefits	**194,591**	280,953
	5,813,268	7,360,015

22. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company reviews the capital structure periodically. As a part of this review, the directors consider the cost of capital and the associated risks. Based on the recommendations by the directors, the Group will balance its overall capital structure through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

23. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 HK$	2014 HK$
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets held for trading	**163,785**	11,463,289
Investments designated at fair value through profit or loss	**218,000,293**	619,009,674
	218,164,078	630,472,963
Loans and receivables		
Bank balances and cash	**748,578,554**	414,901,459

(b) Financial risk management objectives and policies

The Group's financial instruments include financial assets at fair value through profit or loss and bank balances and cash. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Foreign currency risk refers to the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong with most of the operating costs denominated and settled in HK$. The Group's exposure to foreign currency risk primarily arises from investments denominated in Renminbi ("**RMB**") and US$ against HK$ as functional currency. During the year, the Group did not have foreign currency hedging policy but management continuously monitors the foreign exchange exposure.

As HK$ is pegged to US$, the Group does not expect any significant movements in the US$/HK$ exchange rates. No sensitivity analysis in respect of the Group's financial assets denominated in HK$ is presented as in the opinion of the directors, such sensitivity analysis does not give additional value in view of insignificant movement in the US$/HK$ exchange rates at the reporting dates.

The Group is mainly exposed to fluctuation in the exchange rate of RMB. If the exchange rate of RMB against HK$ had been increased/decreased by 5%, the Group's profit for the year would decrease/increase by HK$59,710 (2014: HK$892).

23. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Other price risk

The Group is exposed to price risk through its investments in financial assets at fair value through profit or loss. In order to mitigate such risk, the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

Credit risk

As at 31 December 2015, 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.

The Group has concentration of credit risk on the investments designated at fair value through profit or loss. The Group reviews the recoverable amounts of the financial assets 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.

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

Other than concentration of credit risk on investments designated at fair value through profit or loss and liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

No financial liability of the Group is noted for the current period.

23. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value hierarchy into which the fair value measurements are categories (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.

	Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
		31 December 2015	31 December 2014					
i)	Unlisted overseas senior secured guaranteed convertible notes classified as financial assets at fair value through profit or loss	5% convertible notes issued by NSR Holdings – Nil	5% convertible notes issued by NSR Holdings – HK$182,587,019	Level 3	N/A	N/A	N/A	N/A
ii)	Unlisted overseas loan classified as financial assets at fair value through profit or loss	Unlisted loan facility of Jinqiao – Nil	Unlisted loan facility of Jinqiao – HK$39,390,000	Level 3	N/A	N/A	N/A	N/A
iii)	Unlisted overseas warrant instrument and related put rights classified as financial assets at fair value through profit or loss	Unlisted warrant instrument and related put rights of Jinqiao – Nil	Unlisted warrant instrument and related put rights of Jinqiao – HK$10,374,000	Level 3	N/A	N/A	N/A	N/A

23. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

	Financial assets/financial liabilities	Fair value as at 31 December 2015	Fair value as at 31 December 2014	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
iv)	Unlisted local convertible bond classified as financial assets at fair value through profit or loss	Unlisted convertible bond of Yingde Gases – Nil	Unlisted convertible bond of Yingde Gases – HK$201,779,287	Level 3	N/A	N/A	N/A	N/A
v)	Unlisted local warrant instrument classified as financial assets at fair value through profit or loss	Unlisted warrant instrument of Yingde Gases – HK$163,785	Unlisted warrant instrument of Yingde Gases – HK$1,089,289	Level 3	Black-Scholes Pricing Model The key inputs are risk-free rate and volatility.	Risk-free rate, determined by reference to the yield rate of the Hong Kong Exchange Fund Notes with similar duration, of 0.13%	The higher the risk-free rate, the higher the fair value.	No indication that a slight increase in the risk-free rate used would result in a significant increase in fair value measurement, and vice versa.
						Volatility, determined by reference to volatility of its share price, of 49.93%.	The higher the implied volatility, the higher the fair value.	No indication that a slight increase in the implied volatility used would result in a significant increase in fair value measurement, and vice versa.
vi)	Unlisted overseas securities	Unlisted preferred shares of Jinko – HK$218,000,293	Unlisted preferred shares of Jinko – HK$195,253,368	Level 3	Option-Pricing Model The key inputs are risk-free rate and volatility.	Risk-free rate, determined by reference to the yield rate of the US Sovereign Strips Curve, of 0.82%.	The higher the risk-free rate, the lower the fair value.	No indication that a slight increase in the risk-free rate used would result in a significant decrease in fair value measurement, and vice versa.
						Volatility, determined by reference to the volatility of comparable companies based on historical annualised daily share prices, of 46.03%	The higher the volatility, the lower the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would decrease by HK$7,290,842 and increase by HK$8,391,636 respectively.

23. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

There were no transfers between Level 1, 2 and 3 in the current and prior years.

The fair values of the financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Fair value hierarchy

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
2015				
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	**–**	**–**	**218,164,078**	**218,164,078**
2014				
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	–	–	630,472,963	630,472,963

The fair values of the financial assets included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

23. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$
At 1 January 2014	503,320,461
Total gains recognised in profit or loss	
– change in fair value of financial assets held for trading	(15,303,034)
– change in fair value of investments designated at fair value through profit or loss	25,468,016
	513,485,443
Purchases	194,987,520
Repayment of principal	(78,000,000)
At 31 December 2014	630,472,963
Total gains recognised in profit or loss	
– change in fair value of financial assets held for trading	400,496
– change in fair value of investments designated at fair value through profit or loss	97,966,455
	728,839,914
Repayment of principal	(510,675,836)
At 31 December 2015	218,164,078

Of the total gains for the year included in profit or loss, HK$98,366,951 (2014: HK$10,164,982) relates to financial assets at fair value through profit or loss held at the end of the reporting period. Fair value gains on financial assets at fair value through profit or loss are included in 'change in fair value of financial assets held for trading' and 'change in fair value of investments designated at fair value through profit or loss'. Included in 'change in fair value of investments designated at fair value through profit or loss' amounted to HK$75,219,530 (2014: nil) represented the net realised gain on disposals of financial assets at fair value through profit or loss.

24. SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme (the "**Scheme**") under which the board of directors of the Company may grant options to the Group's employees, including directors, to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one share. Maximum number of shares in respect of which options may be granted under the Scheme may not exceed 64,711,400 ordinary shares. Maximum entitlement for each participant under the Scheme is not permitted to exceed 1% of the issued share capital in any twelve month period. An amount of HK$10 is payable upon acceptance of an option as consideration and minimum period of six calendar months after the offer date of the relevant option must be held before it can be exercised.

The subscription price will be the highest of:

(a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant (being a business day);

(b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and

(c) the nominal value of the shares of the Company.

There were no options granted under the Scheme during the years ended 31 December 2015 and 2014. There are no outstanding options as at the end of the respective reporting period.

25. COMPANY INFORMATION OF FINANCIAL POSITION

(a) Financial information of the financial position of the Company

	2015 **HK$**	2014 HK$
Non-current assets		
Property, plant and equipment	**–**	–
Investments in subsidiaries	**10**	18
Financial assets at fair value through profit or loss	**218,000,293**	196,342,657
Amounts due from subsidiaries	**19,709,705**	53,752,444
Prepayment	**195,000,000**	–
	432,710,008	250,095,119
Current assets		
Financial assets at fair value through profit or loss	**163,785**	434,130,306
Other receivables, prepayments and deposits	**372,592**	88,131
Bank balances and cash	**748,578,554**	363,509,916
	749,114,931	797,728,353
Current liabilities		
Other payables and accruals	**4,097,594**	2,840,963
Tax payable	**4,419,982**	–
Amounts due to subsidiaries	**107,464,138**	106,358,626
	115,981,714	109,199,589
Net current assets	**633,133,217**	688,528,764
Net assets	**1,065,843,225**	938,623,883
Capital and reserves		
Share capital	**29,022,154**	29,022,154
Reserves	**1,036,821,071**	909,601,729
	1,065,843,225	938,623,883

(b) Movement of capital and reserves of the Company

	Share capital HK$	**Share premium** HK$	**Capital redemption reserve** HK$	**Accumulated losses** HK$	**Total** HK$
At 1 January 2014	29,022,154	1,043,800,995	270,200	(181,999,336)	891,094,013
Profit for the year	–	–	–	47,529,870	47,529,870
At 31 December 2014	29,022,154	1,043,800,995	270,200	(134,469,466)	938,623,883
Profit for the year	–	–	–	127,219,342	127,219,342
At 31 December 2015	**29,022,154**	**1,043,800,995**	**270,200**	**(7,250,124)**	**1,065,843,225**

26. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries as at 31 December 2015 and 2014 are as follows:

Name of subsidiaries	Place of incorporation and operation	Paid up issued ordinary share capital	Proportion of nominal value of issued ordinary share capital directly held by the Company		Principal activities
			2015	2014	
Pacific Equity Venture Inc.	BVI	1 share of HK$1	**100%**	100%	Investment holding
Kencheers Investments Limited	BVI	1 share of HK$1	**100%**	100%	Investment holding
Legend Ocean Limited	BVI	1 share of US$1	**100%**	100%	Investment holding

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

27. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the consolidated net assets of HK$1,221,520,741 (2014: HK$1,112,643,460) and 2,902,215,360 ordinary shares in issue as at 31 December 2015 (2014: 2,902,215,360 ordinary shares).

28. EVENT AFTER THE REPORTING PERIOD

On 18 January 2016, the Company had entered into a preferred shares purchase agreement with Best Logistics Technologies Limited ("**Best Logistics**"), an independent third party of the Company, as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at the consideration in the amount of US$30,000,000.

FIVE YEAR FINANCIAL SUMMARY

For the five year ended 31 December 2015

The consolidated results and assets and liabilities of the Group for the past five years:-

Results

	2015	2014	2013	2012	2011
	HK$	HK$	HK$	HK$	HK$
Investment income	**34,597,808**	52,727,655	27,676,408	1,018,899	623,390
Profit/(Loss) before taxation	**118,298,132**	48,950,161	20,458,829	(8,264,546)	(16,257,587)
Assets and liabilities					
Non-current assets					
Property, plant and equipment	**–**	–	5,783	28,088	65,862
Interests in associates	**70,777,676**	72,415,974	71,343,476	65,052,387	64,108,384
Interests in jointly controlled entities	**–**	–	–	–	–
Loans to a jointly controlled entity	**–**	–	–	–	–
Available-for-sale financial assets	**–**	–	–	37,133,167	31,808,623
Financial assets at fair value through profit or loss	**218,000,293**	196,342,657	503,302,461	205,395,356	13,043,394
Prepayment	**195,000,000**	–	–	–	–
	483,777,969	268,758,631	574,669,720	307,608,998	109,026,263
Current assets					
Financial assets at fair value through profit or loss	**163,785**	434,130,306	32,065,404	36,970,473	30,710,674
Other receivables, prepayments and deposits	**490,971**	206,510	23,262,904	634,874	1,845,618
Cash and cash equivalents	**748,578,554**	414,901,459	442,728,651	716,941,605	153,102,049
	749,233,310	849,238,275	498,056,959	754,546,952	185,658,341
Current liability					
Other payables and accruals	**(4,097,494)**	(2,840,963)	(6,284,812)	(11,193,752)	(9,406,991)
Tax payable	**(4,419,982)**	–	–	–	–
Net current assets	**740,715,734**	846,397,312	491,772,147	743,353,200	176,251,350
Total assets less current liability	**1,224,493,703**	1,115,155,943	1,066,441,867	1,050,962,198	285,277,613
Non-current liability					
Deferred taxation	**(2,972,962)**	(2,512,483)	(2,121,295)	(1,504,495)	(1,100,000)
Net assets	**1,221,520,741**	1,112,643,460	1,064,320,572	1,049,457,703	284,177,613
Capital and reserves					
Share capital	**29,022,154**	29,022,154	29,022,154	29,022,154	9,822,154
Reserves	**1,192,498,587**	1,083,621,306	1,035,298,418	1,020,435,549	274,355,459
Total equity	**1,221,520,741**	1,112,643,460	1,064,320,572	1,049,457,703	284,177,613