CENERIC (HOLDINGS) LIMITED
新嶺域(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 542)

Annual Report **2014**

Contents

Corporate Information

EXECUTIVE DIRECTORS

CHENG Wai Lam, James (Chief Executive Officer)
CHI Chi Hung, Kenneth
MA Erqiang (appointed on 1 May 2014)
YEUNG Kwok Leung
LEE Kuang Yeu (resigned on 1 May 2014)

NON-EXECUTIVE DIRECTOR

HUANG Zhenda (re-designated on 21 January 2015)

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHAN Hoi Ling
SO Wai Lam
SUNG Yat Chun

COMPANY SECRETARY

LEUNG Lai Seung, Candy *F.C.I.S.*

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITOR

McMillan Woods SG CPA Limited
Suite 1507, 15/F., South Tower
Concordia Plaza, 1 Science Museum Road
TST East, Kowloon, Hong Kong

HONG KONG SHARE REGISTRAR

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

REGISTERED OFFICE

The Offices of Sterling Trust (Cayman) Limited
Caledonian House, 69 Dr. Roy's Drive
P.O. Box 1043, George Town
Grand Cayman KY1-1102
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F., Guangdong Finance Building
88 Connaught Road West
Sheung Wan, Hong Kong

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company and the Group for the year ended 31 December 2014.

FINANCIAL RESULTS

The Group reported a profit for the year ended 31 December 2014 of HK$43.7 million (2013: loss of HK$52.2 million). The Group's consolidated profit attributable to the equity holders of the Company for 2014 amounted to HK$45.0 million (2013: loss of HK$42.6 million), though the Company was struggling to mark a turnaround at operation level. The Group's profit for 2014 is principally reflected by (i) a gain on bargain purchase arising from an acquisition of subsidiaries which had been completed in April 2014, and (ii) a gain owing to the restructuring of certain Group companies subsequent to the disposal of travel business of the Group in 2012.

DIVIDEND

The Directors do not recommend to pay any dividend for the financial year ended 31 December 2014 (2013: Nil).

REVIEW OF OPERATIONS

Property Development Segment

For the year ended 31 December 2014, the Group's property development segment recorded revenue of HK$11.4 million (2013: HK$4.4 million) with a corresponding operating loss of HK$2.4 million (2013: loss of HK$17.0 million).

Throughout the year, the Group continued to sell unsold completed units in its two existing projects namely Morning Star Villa ("MSV") and Morning Star Plaza ("MSP") in Zhongshan, Guangdong Province, PRC.

As at 31 December 2014, approximately 99.8% of all residential units of MSV and approximately 98.1% of all residential and commercial units of MSP were sold.

Hotel Business Segment

The Group completed an acquisition of a hotel located in Maoming City, the PRC (the "Acquisition") in April 2014. From the date of the Acquisition to 31 December 2014, the hotel business segment recorded revenue from sub-licensing hotel operating right amounting to HK$85.6 million and a profit of HK$18.2 million.

Chief Executive Officer's Statement

OUTLOOK

Looking forward to 2015, challenging economic conditions will probably create tough operational environment for hospitality industry and property market in Hong Kong and the PRC.

For the hotel business in the PRC, in spite of recent slowdown of domestic consumption, the newly acquired hotel in Maoming City has been generating stable income for the Group. In line with the China government policies on encouraging consumptions, consumer sentiment has been continuously improving. Income from the hotel business contributing to the Group will be persistent.

For the property sales in the PRC, expecting the relaxation on purchase restrictions of residential properties and interest rate cut in China, a steady growth in the property sales of the Group would be foreseeable.

Despite the ever-changing economic environment, the Group has been looking for new and profitable investment projects by utilising existing resources so as to maximise returns for the Company's shareholders.

ACKNOWLEDGMENT

On behalf of the Board, I would like to extend our sincere appreciation to our valued customers, business partners, bankers, and shareholders for their continued support. I would also like to compliment the management and staff for their valuable contribution through the year.

CHENG Wai Lam, James
Chief Executive Officer

Hong Kong, 27 March 2015

BUSINESS REVIEW

For the year ended 31 December 2014, the Group's total turnover amounted to HK$97.0 million, compared to HK$4.4 million for 2013. The Group recorded a profit before tax of HK$32.1 million, compared to the loss of HK$52.2 million for 2013. The Group's consolidated profit attributable to the owners of the Company for 2014 amounted to HK$45.0 million, compared to a loss of HK$42.6 million in 2013. The increase in the Group's profit is mainly attributable to (i) a gain on bargain purchase arising from an acquisition of subsidiaries which had been completed in April 2014, and (ii) a gain arising from the restructuring of certain Group companies subsequent to the disposal of travel business of the Group in 2012. The operation of the Group was actually making a loss in 2014.

PROPERTY DEVELOPMENT SEGMENT

In 2014, sales of the Property Development Segment amounted to HK$11.4 million, compared to HK$4.4 million for 2013. Loss of the segment for 2014 was HK$2.4 million, compared to the loss of HK$17.0 million for 2013.

As at 31 December 2014, approximately 99.8% of residential units of Morning Star Villa and approximately 98.1% of all residential and commercial units of Morning Star Plaza were sold.

The Board is optimistic in the property market in Hong Kong and the PRC. The Group continues focusing on the sale of completed unsold properties.

HOTEL BUSINESS SEGMENT

On 14 April 2014, the Group completed an acquisition of a hotel located in Maoming, the PRC. Revenue of the hotel business segment is mainly generated from the sub-licensing of operating rights to hotel operators, which comprises a fixed monthly amount of RMB5.42 million plus a royalty fee equivalent to 10% of the total monthly revenue generated by the hotel operators. From the date of the Acquisition to 31 December 2014, the hotel business segment recorded revenue from the sub-licensing of operating right amounting to HK$85.6 million and a profit amounting to HK$18.2 million.

GEOGRAPHICAL SEGMENTS

During the year, the Group did not have revenue generated from Hong Kong, and the revenue generated from elsewhere in the PRC mainly related to hotel business and property development.

REVIEW OF FINANCIAL POSITION

Overview

Non-current assets as at 31 December 2014, consisting mainly of property, plant and equipment, prepaid land lease payment, licensing rights, and available-for-sale financial assets amounted to HK$1,039.4 million, compared to HK$60.5 million as at 31 December 2013. Current assets as at 31 December 2014 amounted to HK$159.1 million, compared to HK$580.1 million as at 31 December 2013. Current liabilities as at 31 December 2014 amounted to HK$64.5 million, compared to HK$53.5 million as at 31 December 2013. Non-current liabilities as at 31 December 2014 amounted to HK$492.8 million, compared to nil as at 31 December 2013.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2014, the Group's total borrowings amounted to HK$422.1 million (31 December 2013: HK$16.7 million). The borrowings mainly comprised borrowings from a financial institution of HK$166.6 million, bonds measured at amortised costs of HK$251.5 million. As at 31 December 2014, the Group's available banking facilities not utilised is nil (31 December 2013: nil).

The Group's total equity as at 31 December 2014 was HK$641.1 million (31 December 2013: HK$587.1 million).

The Group's gearing ratio as at 31 December 2014 was 55.0% (31 December 2013: nil). The gearing ratio was calculated on the basis of net borrowings (the total borrowings minus total cash and cash equivalents and restricted cash) over the total equity of the Group. In past years, gearing ratios of the Group were calculated on the basis of the total borrowings over the total equity of the Group. The Board believes that the 2014 calculation of gearing ratio would provide a more appropriate representation on the capital structure of the Group.

The increase in gearing ratio as at 31 December 2014 as compared to those as at 31 December 2013 is mainly due to the consolidation of loan and borrowings brought in after the Acquisition and the issuance of two tranches of bond as part of the consideration for the Acquisition.

As part of treasury management, the Group centralises funding for all of its operations at the Group level. The Group's foreign currency exposure relates mainly to Renminbi, which is derived from its hotel business and the sales of property units in Zhongshan, the PRC.

Capital Commitments

The Group did not have any capital commitments as at 31 December 2014 (31 December 2013: HK$445.0 million).

Contingent Liabilities

As at 31 December 2014, the Group had contingent liabilities amounting to HK$1.7 million (31 December 2013: HK$1.6 million). The contingent liabilities were mainly in respect of buy-back guarantees in favour of banks to secure mortgage loans granted to the purchasers of the properties developed by MSV and MSP. The Board considered that the fair value of such guarantees were insignificant.

Charges on Group Assets

As at 31 December 2014, part of the Group's leasehold land and buildings acquired through the Acquisition with a carrying value of HK$827.3 million (31 December 2013: nil) had been pledged to a financial institution to secure mortgage loans. In addition, non-current bank balances of HK$1.9 million (31 December 2013: HK$2.0 million) were pledged to banks to secure mortgage loan facilities granted to purchasers of the Group's properties held for sale. They also serve to secure the issuance of a bank guarantee in favour of a landlord under an operating lease.

STAFF ANALYSIS

The total number of staff employed by the Group as at 31 December 2014 was 74, compared to 58 as at 31 December 2013. As part of the Group's human resources policy, employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Currently, the Group continues to implement its overall human resource training and development programme and to equip its employees with the necessary knowledge, skills and experience to deal with the existing and future requirements and challenges.

OUTLOOK AND PLAN

Looking forward to 2015, the economy is still challenging and will probably create a tough environment for operations in Hong Kong and the PRC.

For hotel business, in spite of the recent slowdown in local consumption in the PRC, the hotel business has started generating stable income for the Group since the completion of the Acquisition. The management expects that the income from hotel business would be persistent.

For property development business, China's governmental policies on property market such as the relaxation on purchase restrictions and interest rate cut in 2015 in China are expected. A steady increase in the property sales of the Group is foreseeable.

Apart from the above, the management has been looking for new and profitable investment projects to maximise the returns on the Company and to its shareholders.

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consisted of investment holding and the provision of management services. Its subsidiaries are mainly engaged in property development and hotel business investments. Details of the principal activities of the principal subsidiaries are set out in note 49 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2014 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements from pages 29 to 84.

No dividends have been declared in respect of the year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 86.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in either the Company's authorized or issued share capital during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 41 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2014, the Company had no reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2009 Revision) of the Cayman Islands.

SHARE OPTION SCHEME

Particulars of the share option scheme of the Company are set out in note 46 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers were greater than 98% in the year and aggregate sales attributable to the largest customer included therein amounted to 88%. The aggregate purchases attributable to the Group's five largest suppliers were less than 30% in the year.

DIRECTORS

The directors of the Company (the "Directors") during the year and up to the date of this report were:

Executive Directors:

CHENG Wai Lam, James (Chief Executive Officer)
CHI Chi Hung, Kenneth
MA Erqiang (appointed on 1 May 2014)
YEUNG Kwok Leung
LEE Kuang Yeu (resigned on 1 May 2014)

Non-Executive Director:

HUANG Zhenda (re-designated on 21 January 2015)

Independent Non-Executive Directors:

CHAN Hoi Ling
SO Wai Lam
SUNG Yat Chun

In accordance with Article 112 of the Company's Articles of Association, Mr. MA Erqiang shall retire from and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

In accordance with Articles 106 and 107 of the Company's Articles of Association, Mr. CHI Chi Hung, Kenneth, Ms. SO Wai Lam and Mr. SUNG Yat Chun shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' REMUNERATION

At each annual general meeting of the Company, the board of directors is authorised by its shareholders to fix the respective remuneration of directors. The remuneration is determined by with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2014, none of the Executive Directors are considered to have interests in the business which compete or is likely to compete with the business of the Group pursuant to the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' interests in the securities and debentures of the Company and its associated corporations" below, at no time during the year was the Company, or any of its subsidiaries a party to any arrangement to enable the Company's Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN THE SECURITIES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2014 , none of the Directors and chief executives of the Company had interest in the shares, underlying shares and debentures and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or the chief executive were deemed or taken to have under such provisions of the SFO, which are required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers ("Model Code") contained in the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

CHENG Wai Lam, James

Mr. CHENG, aged 54, was appointed an Executive Director and the Chief Executive Officer of the Company in November 2013. He holds a Master of Business Administration from the University of San Francisco, U.S.A. and Bachelor of Arts (Administrative and Commercial Studies) from the University of Western Ontario, Canada. He has over twenty-five years of experience in corporate & investment banking, finance and securities, entrepreneurial management, corporate finance and management, of which over twenty years were in senior management positions. He is currently the general manager of a subsidiary of the Company. Mr. CHENG is also currently an independent non-executive director of Harmonic Strait Financial Holdings Limited, the securities of which are listed on The Stock Exchange of Hong Kong Limited. He was previously an executive director of Pizu Group Holdings Limited.

CHI Chi Hung, Kenneth

Mr. CHI, aged 46, was appointed an Executive Director of the Company in October 2010. He has over 20 years of experience in accounting and financial control. He holds a Bachelor's Degree in Accountancy from Hong Kong Polytechnic University, and was admitted as a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. CHI is currently an executive director of Guocang Group Limited and China Sandi Holdings Limited. Mr. CHI is also an independent non-executive director of Hong Kong Life Sciences and Technologies Group Limited, Aurum Pacific (China) Group Limited, Noble Century Investment Holdings Limited, China Natural Investment Company Limited, Perfect Shape (PRC) Holdings Limited and L'sea Resources International Holdings Limited. Mr. CHI retired as the executive director of M Dream Inworld Limited in June 2014 and was appointed as an executive director of e-Kong Group Limited in September 2014. He was previously an independent non-executive director of Interchina Holdings Company Limited.

MA Erqiang

Mr. MA, aged 60, was appointed an Executive Director of the Company in May 2014. He holds a Master Degree in Monetary Banking from the Chinese Academy of Social Sciences and a Bachelor Degree in Economics from Beijing Normal University. Mr. MA has broad range of corporate management experience. He is currently the project director of a subsidiary of the Company. Prior to joining the Company, he was the Director of Information Property Bureau of Hainan Province of China, the Senior Vice President of Yurun Holdings Group Co., Limited and the Vice President of Suning Universal Group Limited.

YEUNG Kwok Leung

Mr. YEUNG, aged 41, was appointed an Executive Director of the Company in October 2010. He holds a Bachelor's Degree in Accountancy and has over 20 years of experience in auditing, financial controlling, accounting, corporate developments as well as business strategies. He was admitted as a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. YEUNG retired as an executive director of The Hong Kong Building and Loan Agency Limited in June 2014. He was previously an executive director of China Fortune Financial Group Limited.

HUANG Zhenda

Mr. HUANG, aged 41, was appointed an Executive Director of the Company in November 2013 and has been re-designated as a Non-Executive Director of the Company in January 2015. He holds the Bachelor's and Master's Combined Degree from Southwest University of Political Science and Law as well as Doctoral Degree in Economics from Northwest University. He also holds Practicing Lawyer's License in the People's Republic of China. Mr. HUANG has a broad range of corporate and business experience. Prior to his joining the Company, he was previously an Executive Assistant to the Chairman and President of HNA Holding Group Co., Ltd primarily to handle key investments, risk control, major and key legal and economic disputes and in negotiating investment and financing contracts etc.

CHAN Hoi Ling

Ms. CHAN, aged 41, was appointed an Independent Non-Executive Director of the Company in October 2010. She graduated from the University of South Australia with a Bachelor's Degree in Accountancy and Hong Kong Polytechnic University with a Master's Degree in Business Administration. She has extensive experience in auditing and accounting. Ms. CHAN was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accountants. Ms. CHAN was previously an independent non-executive director of M Dream Inworld Limited.

SO Wai Lam

Ms. SO, aged 34, was appointed as an Independent Non-Executive Director of the Company in October 2010. She holds a Bachelor's Degree in Science with double majors in Mathematics and Statistics from the University of British Columbia in Canada and a Master's Degree in Finance from the University of Hong Kong. Ms. SO has over 10 years of experience in the corporate finance industry. She is also a responsible officer of Fortune Financial Capital Limited, a licensed corporation which carries out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance. She was previously an executive director of China Oriental Culture Group Limited.

SUNG Yat Chun

Mr. SUNG, aged 36, was appointed an Independent Non-Executive Director of the Company in October 2010. He is a holder of a Bachelor of Science Degree from the University of Western Sydney, Australia. Mr. SUNG specialises in product research and in-house operations, and is responsible for trading procedures for investment adviser. Mr. SUNG has been a compliance manager for United Overseas Bank and an operations officer for Success Securities Limited. He is also a member of the US National Futures Association. His product knowledge and long association with innovative strategies has allowed him to provide unique and diversified solutions to clients' investments. Mr. SUNG is currently a director of Ayers Alliance Limited and Ayers Alliance Holdings Pty Limited. He was appointed as a director of Ayers Alliance Securities (HK) Limited, a licensed corporation which carries Types 1 & 4 regulated activities under the Securities and Future Ordinance in November 2013.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2014, the following Shareholders had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	*Notes*	Number of shares and underlying shares held (Long Position)	Percentage of issued share capital
Star Advance International Limited ("Star Advance")	*1*	560,000,000	28.99%
Fong Shing Kwong ("Mr. Fong")	*2*	560,000,000	28.99%

Notes:

(1) This represents 560,000,000 shares held by Star Advance.

(2) Mr. Fong is deemed to have interests in the shares through his 100% interest in Star Advance.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the annual report save for the deviation as disclosed in the Corporate Governance Report from pages 14 to 26.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a review of the audited financial statements for the year ended 31 December 2014. The Audit Committee constituted three Independent Non-Executive Directors of the Company.

AUDITOR

During the year, Parker Randall CF (H.K.) CPA Limited resigned as auditors of the Company and McMillan Woods SG CPA Limited were appointed by the shareholders of the Company to fill casual vacancy so arising.

The financial statements for the year were audited by McMillan Woods SG CPA Limited who will retire and being eligible, offer themselves re-appointment as the auditor of the Company at the forthcoming annual general meeting of the Company.

On behalf of the Board
CHENG Wai Lam, James
Chief Executive officer

Hong Kong, 27 March 2015

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The board of directors of the Company ("Board") believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders' value.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the light of the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31 December 2014, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

BOARD

The Board currently comprises eight directors in total, with four Executive Directors, one Non-Executive Director ("NED") and three Independent Non-Executive Directors ("INEDs"). The composition of the Board during the year is set out as follows:

Executive Directors	CHENG Wai Lam, James *(Chief Executive Officer)* CHI Chi Hung, Kenneth MA Erqiang *(appointed on 1 May 2014)* YEUNG Kwok Leung LEE Kuang Yeu *(resigned on 1 May 2014)*
NED	HUANG Zhenda *(re-designated as a NED on 21 January 2015)*
INEDs	CHAN Hoi Ling SO Wai Lam SUNG Yat Chun

During the year, the Non-Executive Directors (majority of whom are Independent Non-Executive Directors) provided the Company with a wide range of expertise and a balance of skills and brought independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings and Committee meetings.

Throughout the year and up to the date of this report, the Company has complied with the requirements under Rules 3.10(1) and (2) of the Listing Rules. The former Rule requires that every board of directors of a listed issuer must include at least three INEDs and the latter Rule requires that at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise. All INEDs also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules. Further, up to the date of this Report, the Board has not been aware of the occurrence of any events which would cause it to believe that their independence has been impaired.

The Company has received from each Independent Non-Executive Director an annual confirmation or confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such Directors to be independent. The Independent Non-Executive Directors are explicitly identified in all corporate communications. The day-to-day running of the Company is delegated to the management.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the year, five Board meetings were held and attendance of each Director at the Board meetings is set out in the section headed "Board Committees" of this report.

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management. The respective functions of the Board and management of the Company have been formalised and set out in writing and will be reviewed by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The articles of association of the Company ("Articles of Association") also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her associates have a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organized by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills. From time to time, Directors are provided with written training materials to develop and refresh their professional skills.

According to the records maintained by the Company, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the year ended 31 December 2014:

Name of Directors	Reading regulatory updates	Attending training/ briefings/ seminars/ conference relevant to Directors' duties
Executive Directors		
CHENG Wai Lam, James	✓	✓
CHI Chi Hung, Kenneth	✓	✓
MA Erqiang *(appointed on 1 May 2014)*	✓	
YEUNG Kwok Leung	✓	✓
LEE Kuang Yeu *(resigned on 1 May 2014)*	–	–
NED		
HUANG Zhenda *(re-designated on 21 January 2015)*	✓	✓
INEDs		
CHAN Hoi Ling	✓	✓
SO Wai Lam	✓	✓
SUNG Yat Chun	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE

The Chairman of the Company has not been appointed. Under code provision A.2.1 of the CG Code, the roles of the Chairman and the Chief Executive Officer are segregated and assumed by two different Individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Chairman of the Board is responsible for the leadership and effective running of the Board, while the Chief Executive Officer is delegated with the authorities to manage the business of the Group in all aspects effectively. Code provisions A.2.2 to A.2.9 of the CG Code further stipulate various roles and responsibilities of the Chairman. However, the Company does not have a Chairman of the Board at present. It is the Board's intention to appoint a new Chairman as soon as the suitable person is selected.

NON-EXECUTIVE DIRECTORS

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election.

All the Independent Non-Executive Directors and Non-Executive Director were appointed for a specific term of 1 year but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company.

BOARD COMMITTEES

The Board has established various committees, including a Remuneration Committee, an Audit Committee, a Nomination Committee and an Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

The individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee, Nomination Committee and general meetings during the year ended 31 December 2014 are set out below:

	Number of meetings attended/held				
Name of Directors	**Board**	**Remuneration Committee**	**Audit Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors:					
CHENG Wai Lam, James *(Chief Executive Officer)*	5/5	1/1	–	1/1	1/1
CHI Chi Hung, Kenneth	4/5	–	–	–	1/1
MA Erqiang *(appointed on 1 May 2014)*	4/4	–	–	–	1/1
YEUNG Kwok Leung	5/5	–	–	–	1/1
LEE Kuang Yeu *(resigned on 1 May 2014)*	1/1	–	–	–	n/a
NED:					
HUANG Zhenda *(re-designated on 21 January 2015)*	5/5	–	–	–	1/1
INEDs:					
CHAN Hoi Ling	5/5	1/1	2/2	1/1	1/1
SO Wai Lam	5/5	1/1	2/2	1/1	1/1
SUNG Yat Chun	4/5	1/1	2/2	1/1	1/1

Remuneration Committee

The Remuneration Committee has been established since August 2005. This Committee currently consists of four members, including Ms. CHAN Hoi Ling (Chairman of the Committee), Ms. SO Wai Lam, Mr. SUNG Yat Chun, all being the INEDs and Mr. CHENG Wai Lam, James, being an Executive Director.

The Board has adopted a set of terms of reference of the Remuneration Committee, which accommodates a model where the Remuneration Committee performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual Executive Directors and senior management only. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the Executive Directors and senior management. It takes into consideration of factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. One Committee meeting was held in 2014 and the attendance of each member is set out in the section headed "Board Committees" of this report.

In addition to the Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2014. In 2014 and up to the date of this report, the Remuneration Committee performed the works as summarized below:

(i) reviewed the existing policy and structure for the remuneration of Directors;

(ii) reviewed the existing remuneration packages of the Executive Directors and senior management;

(iii) reviewed the existing remuneration of the Independent Non-Executive Directors;

(iv) reviewed and recommended the remuneration package of the newly appointed Executive Director for the Board's approval;

(v) reviewed and recommended the remuneration packages for the re-designation of an Executive Director to a Non-Executive Director for the Board's approval; and

(vi) reviewed and recommended the remuneration packages for the renewal of the terms of appointment of the INEDs for one year commencing from 1 January 2015 for the Board's approval.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 12 to the consolidated financial statements.

Audit Committee

The Audit Committee has been established since March 1999. This Committee currently consists of three members, including Ms. CHAN Hoi Ling (Chairman of the Committee), Ms. SO Wai Lam and Mr. SUNG Yat Chun, all being the INEDs.

The Company has complied with Rule 3.21 of the Listing Rules, which requires that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an INED) is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise.

The main responsibilities of the Audit Committee are to review the financial statements and the auditors' reports and monitor the integrity of the financial statements. Other responsibilities include the appointment of auditor, approval of the auditor's remuneration, discussion of audit procedures and any other matters arising from the above. The Audit Committee is also charged with the overseeing the financial reporting system and internal control procedures and their effectiveness.

The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Two Committee meetings were held in 2014 and the attendance of each member is set out in the section headed "Board Committees" of this report.

In addition to the Committee meeting, the Audit Committee also dealt with matters by way of circulation during 2014. In 2014 and up to the date of this report, the Audit Committee performed the works as summarized below:

(i) reviewed and recommended 2013 final results, audit findings and draft final results announcement for the Board's approval;

(ii) reviewed and considered various accounting issues and new accounting standards and their financial impacts;

(iii) reviewed and recommended for the Board's approval the proposal for appointment of new auditors in place of the retiring auditors at the 2014 Annual General Meeting;

(iv) considered the audit fee for the Year 2014;

(v) reviewed and recommended 2014 interim results, audit findings, draft management discussion and analysis section of the interim report for the Board's approval;

(vi) reviewed and recommended 2014 final results, audit findings and draft final results announcements for the Board's approval; and

(vii) reviewed and recommended the report on Internal Control for the Board's approval.

Nomination Committee

The Nomination Committee has been established since 1 April 2012. This Committee currently consists of four members, including Ms. CHAN Hoi Ling (Chairman of the Committee), Ms. SO Wai Lam and Mr. SUNG Yat Chun, all being the INEDs and Mr. CHENG Wai Lam, James, being an Executive Director.

The Nomination Committee is responsible for making recommendations to the Board for consideration and approval on nominations, appointment and re-appointment of Directors and Board succession, with a view to appoint to the Board, individuals with the relevant experience and capabilities to maintain and improve competitiveness of the Company. The Nomination Committee shall formulate the policy, review the size, structure and composition of the Board, and assess the independence of its Independent Non-Executive Directors in accordance with the criteria prescribed under the Listing Rules and the CG Code.

The Board has adopted a set of revised terms of reference of the Nomination Committee, which has included Listing Rule amendment to the Corporate Governance Code and Corporate Governance Report relating to the set-up of board diversity policy. The updated terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

The Nomination Committee shall meet at least once a year in accordance with its terms of reference. One Committee meeting was held in 2014 and the attendance of each member is set out in the section headed "Board Committees" of this report.

In addition to the Committee meeting, the Nomination Committee also dealt with matters by way of circulation during 2014. In 2014 and up to the date of this report, the Nomination Committee performed the works as summarized below:

(i) reviewed and recommended for the Board's approval the proposed resolutions for re-election of the retiring directors at 2014 Annual General Meeting and 2015 Annual General Meeting;

(ii) reviewed the structure, size, composition and the diversity policy of the Board and assessed the independence of each INED;

(iii) reviewed and recommended for the Board's approval on the re-designation of an Executive Director to a Non-Executive Director; and

(iv) reviewed and recommended for the Board's approval the renewal of the terms of appointment of INEDs for one year commencing from 1 January 2015.

Executive Committee

The Executive Committee has been established since February 2013. This Committee currently consists of three members, including Mr. CHI Chi Hung, Kenneth (Chairman of the Committee), Mr. CHENG Wai Lam, James and Mr. YEUNG Kwok Leung, all being Executive Directors.

The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee. The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

(i) to formulate and implement policies for the business activities, internal control and administration of the Group; and

(ii) to plan and decide on strategies to be adopted for the business activities of the Group within the overall strategy of the Group as determined by the Board.

Corporate Governance Functions

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

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

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

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

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

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

Board Diversity Policy

On 28 August 2013, the Board has adopted a board diversity policy (the "Policy") that sets out the Company's approach to achieve diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. Details of the Policy can be found on the Company's website at www.cenericholdings.com.

The Company considers that the current composition of the Board, two out of its eight members being women, is characterized by diversity whether considered in terms of gender, professional background and skills.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the year.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company, or any of its subsidiaries and the holding companies who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledge their responsibilities of the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensure the timely publication of the financial statements of the Group.

The statement of external auditor of the Company, McMillan Woods SG CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report.

The Board confirms that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt about the Company's ability to continue as a going concern.

Internal Control

The Board has the responsibility to review annually the effectiveness of the Group's internal control systems and ensure that the controls are sound and effective to safeguard the Shareholders' investments and the Group's assets at all times. In 2014, the Board, through the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

External Auditor's Remuneration

The fee in respect of audit and non-audit services provided by the external auditors to the Group for the year ended 31 December 2014 is set out below:

	HK$'000
Types of services	
Audit fee for the Group	1,100
Taxation services and others	–
Total	1,100

COMPANY SECRETARY

Ms. LEUNG Lai Seung, Candy is an employee and the Company Secretary of the Company. She has day-to-day knowledge of company's affairs. All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chief Executive Officer and is responsible for advising the Board on corporate governance matters and is responsible for ensuring that board procedures are followed and for facilitating communications among Directors as well as with the shareholders and management. For the year under review, Ms. LEUNG has confirmed that she has taken no less than 15 hours of relevant professional training to update her skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

Shareholders' Communication Policy

The Board has adopted a Shareholders' Communication Policy reflecting mostly the current practices of the Company for communication with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. However, it will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

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

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

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

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

(iv) annual general meetings ("AGMs") and extraordinary general meetings ("EGMs") provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

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

Details of the Last General Meetings

The Company's AGM is a valuable forum for the Board to communicate directly with the Shareholders. Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. Since the Chairman of the Board has not been appointed, no Chairman of the Board was able to attend the annual general meeting of the Company held on 30 May 2014. However, the Board has delegated this Chairman's duty to Mr. CHI Chi Hung, Kenneth, an Executive Director of the Company. The Board considers that executive director a suitable person for taking up such duty as this executive director has been serving for similar duties for many years and he has good understanding of each operating segment of the Group.

The Chairmen of the Audit Committee, Remuneration Committee and Nomination Committee or in their absence, another member of the respective committees or failing his duly appointed delegate, are also available to answer questions at the AGM. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting of the Shareholders to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

All independent non-executive directors attended the annual general meeting of the Company held on 30 May 2014 to develop a balanced understanding of the views of shareholders.

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of retiring Directors.

The notice to Shareholders is to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in case of all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The Chairman answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an EGM

Pursuant to the Articles of Association of the Company, the Board shall, on the requisition of the members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene an EGM of the Company.

The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong, and may consist of several documents in like form, each signed by one or more requisitionists.

If the Board do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date.

A meeting convened under this Article by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to convene a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the Directors as were in default.

Procedures for Putting forward Proposals at a General Meeting

Pursuant to the Articles of Association of the Company, it shall be the duty of the Company, on the requisition in writing of such number of members as is specified in these Articles and (unless the Company otherwise resolves) at the expense of the requisitionists:

(a) to give to members entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to members entitled to have notice of any General Meeting of any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Notice of any such resolution shall be given, any such statement shall be circulated, to members of the Company entitled to have notice of the meeting sent to them, and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in accordance with the provisions of the Statutes.

Procedures for Proposing a Person for Election a Director

As regards the procedure for proposing a person for election as a Director, please refer to the procedures made available under the "Corporate Governance" section ("Procedure for election of Directors" sub-section) of the Company's website at www.cenericholdings.com.

Procedures for Directing Shareholders' Enquiries to the Board

Enquiries of shareholders can be sent to the Company either by email at finance@cenericholdings.com (for finance matters) and/or cosec@cenericholdings.com (for company secretarial matters) or by post to the Company's principal place of business at 7/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong.

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

INVESTOR RELATIONS

The Company considers effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business. The Company endeavors to maintain an on-going dialogue with shareholders and in particular, through annual general meeting and other general meetings. The website of the Company at www.cenericholdings.com has provided an effective communication platform to the public and the shareholders.

During the year ended 31 December 2014, there has not been any change in the Company's constitutional documents. An updated version of the Company's constitutional documents is available on the Company's website and the Stock Exchange's website.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but also about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our Shareholders to promote and improve our transparency are also welcome.

On behalf of the Board
CHI Chi Hung, Kenneth
Executive Director

Hong Kong, 27 March 2015

MCMILLAN WOODS SG CPA LIMITED
長青暉勝會計師事務所有限公司

To the shareholders of
Ceneric (Holdings) Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Ceneric (Holdings) Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 29 to 84, which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

McMillan Woods SG CPA Limited
Certified Public Accountants

SETO Man Fai
Practising Certificate Number: P05229

Hong Kong, 27 March 2015

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
TURNOVER	8	**96,965**	4,398
Cost of sales	11	**(20,603)**	(1,945)
Gross profit		**76,362**	2,453
Other income	9	**76,424**	2,444
Selling expenses		**(451)**	(479)
Administrative expenses		**(90,883)**	(56,538)
Finance costs	10	**(29,321)**	(59)
PROFIT/(LOSS) BEFORE TAX	11	**32,131**	(52,179)
Income tax credit	14	**11,577**	–
PROFIT/(LOSS) FOR THE YEAR		**43,708**	(52,179)
Attributable to:			
Owners of the Company	15	**44,978**	(42,642)
Non-controlling interests		**(1,270)**	(9,537)
		43,708	(52,179)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	16	**HK$2.33 cents**	HK$(2.21 cents)
— Diluted	16	**HK$2.33 cents**	HK$(2.21 cents)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Profit/(loss) for the year		**43,708**	(52,179)
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale financial assets		**(17,183)**	12,987
Exchange differences arising on translation of foreign operations		**(3,707)**	2,244
Disposal and deregistration of subsidiaries		**–**	(60)
Other comprehensive (loss)/income for the year, net of tax		**(20,890)**	15,171
Total comprehensive income/(loss) for the year		**22,818**	(37,008)
Attributable to:			
Owners of the Company	*15*	**24,088**	(27,471)
Non-controlling interests		**(1,270)**	(9,537)
		22,818	(37,008)

The notes on pages 36 to 84 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	17	**853,755**	13,314
Prepaid land lease payments	19	**63,910**	2,991
Licensing rights	20	**87,691**	–
Available-for-sale financial assets	22	**17,183**	34,366
Other assets	23	**–**	7,862
Pledged bank balances	24	**1,845**	1,950
Deferred tax assets	25	**14,972**	–
TOTAL NON-CURRENT ASSETS		**1,039,356**	60,483
CURRENT ASSETS			
Properties held for sale under development	26	**70,201**	70,849
Properties held for sale	27	**9,083**	16,218
Inventories	28	**364**	338
Trade receivables	29	**6,813**	24
Prepayments, deposits and other receivables	30	**5,163**	289,784
Cash and cash equivalents	31	**67,454**	202,894
TOTAL CURRENT ASSETS		**159,078**	580,107
TOTAL ASSETS		**1,198,434**	640,590
CURRENT LIABILITIES			
Due to associates		**–**	182
Trade payables, other payables and accruals	32	**21,403**	36,575
Finance lease payables	33	**65**	–
Loan and borrowings — due within one year	34	**39,078**	–
Other borrowing	35	**4,000**	–
Non-interest bearing other borrowings	36	**–**	16,710
TOTAL CURRENT LIABILITIES		**64,546**	53,467
NET CURRENT ASSETS		**94,532**	526,640
NON-CURRENT LIABILITIES			
Loan and borrowings — due after one year	34	**127,551**	–
Bonds	37	**251,505**	–
Deferred tax liabilities	25	**113,709**	–
TOTAL NON-CURRENT LIABILITIES		**492,765**	–
NET ASSETS		**641,123**	587,123

Consolidated Statement of Financial Position

At 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
CAPITAL AND RESERVES			
Share capital	*39*	**19,316**	19,316
Reserves	*41*	**552,101**	523,843
Equity attributable to owners of the Company		**571,417**	543,159
Non-controlling interests		**69,706**	43,964
TOTAL EQUITY		**641,123**	587,123

YEUNG Kwok Leung
Director

CHI Chi Hung, Kenneth
Director

The notes on pages 36 to 84 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium account HK$'000	Foreign currency translation reserve HK$'000	Capital reduction reserve HK$'000	Other reserve HK$'000	Available-for-sales financial assets valuation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2013	19,316	223,215	8,818	191,925	(708)	15,728	104,308	562,602	49,473	612,075
Loss for the year	–	–	–	–	–	–	(42,642)	(42,642)	(9,537)	(52,179)
Other comprehensive income/(loss) for the year	–	–	2,244	–	–	12,987	(60)	15,171	–	15,171
Total comprehensive income/(loss) for the year	–	–	2,244	–	–	12,987	(42,702)	(27,471)	(9,537)	(37,008)
Addition	–	–	–	–	8,028	–	–	8,028	4,028	12,056
At 31 December 2013	19,316	223,215	11,062	191,925	7,320	28,715	61,606	543,159	43,964	587,123
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**44,978**	**44,978**	**(1,270)**	**43,708**
Other comprehensive income/(loss) for the year	**–**	**–**	**(3,707)**	**–**	**–**	**(17,183)**	**–**	**(20,890)**	**–**	**(20,890)**
Total comprehensive income/(loss) for the year	**–**	**–**	**(3,707)**	**–**	**–**	**(17,183)**	**44,978**	**24,088**	**(1,270)**	**22,818**
Addition	**–**	**–**	**(7,563)**	**–**	**11,733**	**–**	**–**	**4,170**	**27,012**	**31,182**
At 31 December 2014	**19,316**	**223,215**	**(208)**	**191,925**	**19,053**	**11,532**	**106,584**	**571,417**	**69,706**	**641,123**

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		**32,131**	(52,179)
Adjustments for:			
Finance costs	*10*	**29,321**	59
Gain on bargain purchase	*38*	**(65,738)**	–
Acquisition related cost		**7,375**	–
Interest income		**(1,158)**	(1,163)
Depreciation		**52,032**	4,140
Amortisation of prepaid land lease payments		**1,450**	76
Amortisation of licensing rights		**5,465**	–
Write-off of amounts due to related companies		**–**	(2,279)
Write-off of amounts due to an associate		**(182)**	–
Write-off of other assets		**7,862**	–
Loss on disposals of property, plant and equipment		**–**	296
Loss on disposal of subsidiaries		**–**	3,735
Operating profit/(loss) before working capital changes		**68,558**	(47,315)
Increase in properties held for sale under development		**–**	(4,033)
Decrease in properties held for sale		**7,135**	11,602
Increase in inventories		**(26)**	(114)
Decrease in trade receivables		**4,607**	26
Decrease in other receivables		**6,389**	37,967
(Decrease)/Increase in trade payables, other payables and accruals		**(50,386)**	14,414
Cash generated from operations		**36,277**	12,547
Interest paid		**–**	(59)
Overseas taxes paid		**–**	(314)
Net cash generated from operating activities		**36,277**	12,174

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
Net cash generated from operating activities		**36,277**	12,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries		**(117,291)**	–
Acquisition related costs		**(7,375)**	–
Deposit for acquisition of subsidiaries		**–**	(280,000)
Interest received		**1,158**	1,163
Proceeds from disposals of property, plant and equipment		**–**	1,090
Proceeds from disposals of subsidiaries		**–**	1,844
Purchase of property, plant and equipment		**(15,823)**	(1,651)
Decrease in pledged bank balances		**105**	412
Net cash used in investing activities		**(139,226)**	(277,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan and borrowings		**(23,113)**	–
New other borrowing raised		**4,000**	–
Repayment of obligation under finance leases		**(9)**	–
Finance costs		**(9,979)**	–
Net cash used in financing activities		**(29,101)**	–
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(132,050)**	(264,968)
Effect of foreign exchange rate changes, net		**(3,390)**	(9,482)
Cash and cash equivalents at 1 January		**202,894**	477,344
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**67,454**	202,894
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits	*31*	**35,639**	38,367
Cash and bank balances	*31*	**31,815**	164,527
		67,454	202,894

1. CORPORATE INFORMATION

Ceneric (Holdings) Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office and principal place of business of the Company are Caledonian House, 69 Dr. Roy's Drive, P.O. Box 1043, George Town, Grand Cayman KY1-1102, Cayman Islands and 7/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong respectively. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group's principal activities were properties development and hotel business investment in the People's Republic of China.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for available-for-sale financial assets which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following new and revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements:

HKFRS 9	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
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 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010–2012 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2011–2013 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2012–2014 Cycle	*Amendments to a number of HKFRSs*[2]

1 *Effective for annual periods beginning on or after 1 July 2014*
2 *Effective for annual periods beginning on or after 1 January 2016*
3 *Effective for annual periods beginning on or after 1 January 2017*
4 *Effective for annual periods beginning on or after 1 January 2018*
5 *Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application, but is not in a position to state whether these new and revised HKFRSs will have a significant impact on the Group's result of operations and financial position.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(1) the contractual arrangement with the other vote holders of the investee;

(2) rights arising from other contractual arrangements; and

(3) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

(b) Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's investments in jointly-controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of jointly-controlled entities is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. Where the profit sharing ratio is different to the Group's equity interest, the share of post-acquisition results of the jointly-controlled entities is determined based on the agreed profit sharing ratio. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's investments in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of jointly-controlled entities is included as part of the Group's investments in jointly-controlled entities.

(c) Associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise 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 Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates are included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognises its share of any charges, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

(d) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a gain on bargain purchase.

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

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

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

(e) Fair value measurement

The Group measures certain of its assets and liabilities such as investment properties, available-for-sale investments, and equity investments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, investment properties, financial assets, goodwill and assets of a disposal group classified as held for sale/assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

(g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 5%
Furniture, fixtures and equipment	20% to $33^1/_3$%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

(h) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once each financial year.

The Group's intangible asset mainly consists of licensing rights.

(i) Property under development

Property under development represents a building under construction which is stated at cost less any impairment losses, and is not depreciated. Costs comprises the direct costs of construction and capitalised borrowing costs, if any, on related borrowed funds during the period of construction. Property under development is reclassified to the appropriate category of non-current assets when completed and ready for use.

(j) Properties held for sale and properties held for sale under development

Properties held for sale and properties held for sale under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to sale proceeds received after the year end date less selling expenses, or by management estimates based on prevailing market condition.

Costs of properties include acquisition costs, development expenditure, interest and other direct costs attributable to such properties. The carrying values of properties held by subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual acquisition costs where appropriate.

(k) Inventories

Inventories included foodstuffs, beverages and other consumables are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(1) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale financial assets valuation reserve until the asset is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the asset is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale financial assets valuation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the forseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

(m) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(n) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred after the initial recognition of the asset has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

(o) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

(p) Financial liabilities

Initial recognition and measurement

Financial liabilities at initial recognition are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, loan and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, in the case of financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, loan and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loan and borrowings, non-interest bearing other borrowings, and bonds.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loan and borrowings

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

(q) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

(r) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(s) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

(t) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

(u) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(v) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits

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

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

(iii) Termination benefits

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

(w) Foreign currency translation

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statement of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

(x) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) revenue from the sub-licensing of hotel operating right is recognised when the Group's right to receive licensing and royalty income has been established.

(ii) revenue from sales of properties is recognised when the properties have been delivered to the purchasers and collectibility of related receivables is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position as advanced proceeds from sales of properties under current liabilities; When properties under development are sold, income is recognised when the property development is completed with the relevant occupation permit issued by the Authorities and the significant risks and rewards of the properties are passed to the purchasers. Payments received from purchasers prior to this stage are recorded as customers' deposits received;

(iii) rental income, on a time proportion basis over the lease terms;

(iv) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

(v) dividend income, when the shareholders' right to receive payment has been established.

(y) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(z) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that parson's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

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

6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the 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, are described below.

Deferred tax assets

Deferred tax assets are recognised for bad debt provision and all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details are contained in note 25 to the financial statements.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Provision for impairment of trade and other receivables

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

7. OPERATING SEGMENT INFORMATION

For management purposes, the Group identifies reportable segments, on the basis of the products and services, for internal reports about components of the Group that are regularly reviewed by the chief operation decision makers for the purpose of allocating resources to segments and assessing their performances. There are three reportable operating segments identified as follows:

(a) The property development segment comprises the development and sales of properties;

(b) The hotel business segment comprises the sub-licensing rights to hotel operator and certain hotel management activities, and

(c) The corporate and other businesses segment includes general corporate expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results represent the profit or loss earned before tax before taking into account interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision makers and the board of directors for the purposes of resource allocation and performance assessment.

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

	For the year ended 31 December									
	Property development		Hotel business		Corporate and other business		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:										
Sales to external customers	11,365	4,398	85,600	–	–	–	–	–	96,965	4,398
Other income	1,192	595	1,055	–	801	449	–	–	3,048	1,044
Total segment revenue	12,557	4,993	86,655	–	801	449	–	–	100,013	5,442
Amortisation of licensing rights	–	–	(5,465)	–	–	–	–	–	(5,465)	–
Depreciation of property, plant and equipment	(613)	(544)	(51,115)	–	(304)	(3,596)	–	–	(52,032)	(4,140)
Amortisation of prepaid land lease payments	(76)	(76)	(1,374)	–	–	–	–	–	(1,450)	(76)
Segment results	(2,388)	(16,976)	18,152	–	(687)	(28,693)	–	–	15,077	(45,669)
Reconciliation:										
Unallocated expenses									(19,626)	(7,851)
									(4,549)	(53,520)
Interest income									1,158	1,163
Gain on liquidation of subsidiaries									–	237
Gain on restructuring of group companies *(Note 9)*									6,480	–
Gain on bargain purchase *(Note 38)*									65,738	–
Acquisition related costs *(Note 11)*									(7,375)	–
Finance costs *(Note 10)*									(29,321)	(59)
Profit/(Loss) before tax									32,131	(52,179)

	For the year ended 31 December									
	Property development		Hotel business		Corporate and other business		Elimination		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**187,999**	201,087	**1,014,595**	–	**481,726**	477,303	**–**	–	**1,684,320**	678,390
Reconciliation:										
Elimination of intersegment receivables									**(503,069)**	(72,166)
Available-for-sale financial assets									**17,183**	34,366
									1,198,434	640,590
Segment liabilities	**2,840**	11,813	**984,454**	–	**73,086**	97,110	**–**	–	**1,060,380**	108,923
Elimination of intersegment payables									**(503,069)**	(72,166)
Non-interest-bearing other borrowings									**–**	16,710
									557,311	53,467

For the purposes of monitoring segment performance and allocating resources between segments:

(a) all assets are allocated to reportable segments other than available-for-sale financial assets.

(b) all liabilities are allocated to reportable segments other than non-interest-bearing other borrowings.

Geographical information

The Group operates in two main geographical areas — Hong Kong and the People's Republic of China (excluding Hong Kong) (the "PRC").

	2014 **HK$'000**	2013 HK$'000
Revenue		
Hong Kong	**–**	–
PRC	**96,965**	4,398
	96,965	4,398

	2014 **HK$'000**	2013 HK$'000
Non-current assets		
Hong Kong	**134**	260
PRC	**1,005,157**	16,045
Other countries	**65**	–
	1,005,356	16,305

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue approximately HK$85,600,000 was derived from hotel business segment to a single customer.

8. TURNOVER

Turnover represents income from sub-licensing of operating rights, services rendered, and proceeds from the sales of properties held for sale to external customers during the year.

	2014 HK$'000	2013 HK$'000
Licensing income	**85,600**	–
Sales of properties held for sale	**11,365**	4,398
	96,965	4,398

9. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Bank interest income	**1,158**	1,133
Other interest income	**–**	30
Gain on liquidation of a subsidiary	**–**	237
Gain on restructuring of group companies*	**6,480**	–
Gain on bargain purchase *(Note 38)*	**65,738**	–
Rental income	**1,030**	–
Others	**2,018**	1,044
	76,424	2,444

* *The gain is arising from the restructuring of certain Group companies subsequent to the disposal of travel business of the Group in 2012.*

10. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest on		
Obligation under finance lease	**–**	59
Loan and borrowings	**9,937**	–
Bonds	**19,235**	–
Other borrowings	**149**	–
	29,321	59

11. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2014 **HK$'000**	2013 HK$'000
Cost of sales		
Cost of inventories sold	**600**	654
Cost of properties sold	**6,523**	1,291
Amortisation of licensing rights	**5,465**	–
PRC withholding tax and business tax	**8,015**	–
	20,603	1,945
Depreciation	**52,032**	4,140
Amortisation of prepaid land lease payments	**1,450**	76
Loss on disposal of subsidiaries	**–**	3,735
Loss on disposal of property, plant and equipment	**–**	296
Write-off of other assets	**7,862**	–
Minimum lease payments under operating lease in respect of land and building	**2,180**	10,673
Auditor's remuneration	**1,100**	523
Employee benefit expenses (including directors' remuneration)		
— Wages and salaries	**10,829**	9,940
— Retirement benefits scheme contributions	**608**	248
	11,437	10,188
Acquisition related costs *(Note 38)*	**7,375**	–
Interest Income		
Bank interest income	**(1,158)**	(1,133)
Other interest income	**–**	(30)
	(1,158)	(1,163)

12. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	2014 HK$'000	2013 HK$'000
Fees:		
Executive Directors	–	–
Non-Executive Directors	–	–
	–	–
Other emoluments:		
Executive Directors:		
Basic salaries, housing, other allowances and benefits in kind	3,564	4,412
Retirement benefits scheme contributions	34	11
Non-Executive Directors:		
Basic salaries, housing, other allowances and benefits in kind	300	300
	3,898	4,723
	3,898	4,723

The emoluments paid or payable to directors are as follows:

2014

Name of Director	Directors' fees HK$'000	Basic salaries, housing, other allowances and benefits in kind HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive Directors				
CHENG Wai Lam, James	–	1,200	34	1,234
CHI Chi Hung, Kenneth	–	120	–	120
YEUNG Kwok Leung	–	120	–	120
MA Erqiang	–	850	–	850
LEE Kuang Yeu	–	74	–	74
Huang Zhenda	–	1,200	–	1,200
Independent Non-Executive Directors				
SO Wai Lam	–	100	–	100
SUNG Yat Chun	–	100	–	100
CHAN Hoi Ling	–	100	–	100
	–	3,864	34	3,898

2013

Name of Director	Directors' fees HK$'000	Basic salaries, housing, other allowances and benefits in kind HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive Directors				
CHENG Wai Lam, James	–	177	–	177
CHI Chi Hung, Kenneth	–	120	–	120
YEUNG Kwok Leung	–	120	–	120
HO Tak Pong, Matthew	–	3,600	11	3,611
LEE Kuang Yeu	–	200	–	200
Huang Zhenda	–	195	–	195
Independent Non-Executive Directors				
SO Wai Lam	–	100	–	100
SUNG Yat Chun	–	100	–	100
CHAN Hoi Ling	–	100	–	100
	–	4,712	11	4,723

There was no arrangement under which a Director waived or agreed to waive any remuneration for the years ended 31 December 2014 and 2013.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 3 (2013: 1) directors, details of whose remuneration are set out in note 12 above. Details of the remuneration of the five highest paid employees for the year are as follows:

	2014 HK$'000	2013 HK$'000
Salaries, allowances and benefits in kind	**4,496**	5,248
Performance related bonuses	**–**	–
Retirement benefits scheme contributions	**72**	62
	4,568	5,310

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees 2014	2013
Nil to HK$1,000,000	**2**	4

14. INCOME TAX

(a) No provision for Hong Kong profits tax has been made for the Hong Kong subsidiaries for the years ended 31 December 2014 and 2013 as the Hong Kong subsidiaries had no estimated assessable profits arising in Hong Kong. Subsidiaries in the People's Republic of China ("PRC") are subject to PRC Enterprise Income Tax at 25% (2013: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

	2014 HK$'000	2013 HK$'000
Current tax:		
Hong Kong	**–**	–
PRC	**–**	–
	–	–
Deferred tax	**(11,577)**	–
Income tax credit	**(11,577)**	–

(b) A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, is as follows:

	2014 HK$'000	2013 HK$'000
Profit/(loss) before tax from continuing operations	**32,131**	(52,179)
Tax at statutory tax rates applicable to profit/(loss) in the respective countries (or jurisdictions)	**4,227**	(10,393)
Income not subject to tax	**(100,855)**	(5,651)
Expenses not deductible for tax	**97,258**	13,832
Tax losses utilised from previous periods	**(1,001)**	(613)
Tax losses not recognised	**866**	2,825
Tax effect of temporary differences	**(12,072)**	–
Tax credit at the Group's effective rate	**(11,577)**	–

15. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 December 2014 includes a loss of HK$242,453,000 (2013: Loss of HK$7,956,000) which has been dealt with in the financial statements of the Company (note 41b).

16. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,931,638,040 (2013: 1,931,638,040) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share presented for the years ended 31 December 2014 and 2013 in respect of a dilution as the Group did not have any dilutive potential ordinary shares during the years ended 31 December 2014 and 2013.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 January 2013	27,503	15,600	507	43,610
Additions	–	307	1,589	1,896
Disposals	(219)	(9,768)	(1,589)	(11,576)
Transfer to properties held for sale	(448)	–	–	(448)
Exchange realignment	18	16	14	48
At 31 December 2013	26,854	6,155	521	33,530
Additions from acquisition	797,538	77,462	1,307	876,307
Additions	–	15,907	–	15,907
Exchange realignment	392	(112)	(7)	273
At 31 December 2014	**824,784**	**99,412**	**1,821**	**926,017**
Accumulated depreciation and impairment:				
At 1 January 2013	13,417	7,342	507	21,266
Charge for the year	509	3,376	255	4,140
Disposals	(27)	(4,871)	(255)	(5,153)
Transfer to properties held for sale	(61)	–	–	(61)
Exchange realignment	–	10	14	24
At 31 December 2013	13,838	5,857	521	20,216
Charge for the year	32,226	19,518	288	52,032
Exchange realignment	26	3	(15)	14
At 31 December 2014	**46,090**	**25,378**	**794**	**72,262**
Net carrying amount:				
At 31 December 2014	**778,694**	**74,034**	**1,027**	**853,755**
At 31 December 2013	13,016	298	–	13,314

The Group's buildings which were acquired through the Acquisition in April 2014 with carrying amount of HK$766,257,000 as at 31 December 2014 (2013: nil) had been pledged to a financial institution to secure mortgage loans (Note 24 and 34).

18. PROPERTY UNDER DEVELOPMENT

	2014 HK$'000	2013 HK$'000
Cost		
At 1 January	**32,910**	32,910
Write-off	**(32,910)**	–
At 31 December	**–**	32,910
Accumulated impairment		
At 1 January	**(32,910)**	(32,910)
Write-back	**32,910**	–
At 31 December	**–**	(32,910)
Net carrying amount		
At 31 December	**–**	–

19. PREPAID LAND LEASE PAYMENTS

	2014 HK$'000	2013 HK$'000
Cost		
At 1 January	**4,281**	4,163
Addition from acquisition	**62,415**	–
Exchange realignment	**(75)**	118
At 31 December	**66,621**	4,281
Accumulated amortisation:		
At 1 January	**1,290**	1,180
Charge for the year	**1,450**	76
Exchange realignment	**(29)**	34
At 31 December	**2,711**	1,290
Net carrying amount		
At 31 December	**63,910**	2,991

The Group's prepaid land lease payments represent the payments for land use rights in the PRC under medium term leases. The Group's leasehold land which were acquired through the Acquisition in April 2014 with carrying amount of HK$61,061,000 as at 31 December 2014 (2013: nil) had been pledged to a financial institution to secure mortgage loans (Note 24 and 34).

20. LICENSING RIGHTS

	2014 HK$'000	2013 HK$'000
Cost		
At 1 January	–	–
Addition from acquisition	93,131	–
Exchange realignment	23	–
At 31 December	93,154	–
Accumulated amortisation		
At 1 January	–	–
Charge for the year	5,465	–
Exchange realignment	(2)	–
At 31 December	5,463	–
Net carrying amount		
At 31 December	87,691	–

Licensing rights were acquired by the Group through the Acquisition in April 2014, and represent rights granted to hotel operators for the operation of the Group's hotel located in Maoming City, the PRC under licensing agreements. The useful lives of licensing rights are determined by reference to the tenure of the aforesaid licensing agreements. As at 31 December 2014, the remaining useful lives of the licensing rights over which amortization to be taken up are 137 months.

21. INVESTMENT IN AN ASSOCIATE

	2014 HK$'000	2013 HK$'000
Unlisted investments		
Share of net assets	–	–

Particulars of the associate of the Group are as follows:

Name of company	Place of incorporation and operations	Particulars of issued shares held	Percentage of ownership interest attributable to the Group 2014	2013	Principal activity
Way Bright Investment Limited	Hong Kong	Ordinary shares of HK$1 each	–	50	Provision of real estate agency services

Way Bright Investment Limited had been dissolved on 31 March 2014.

Summarised financial information in respect of the Group's associate is set out below:

	2014 HK$'000	2013 HK$'000
Total assets	–	–
Total liabilities	–	–
Gain on waiver of inter-company balances	–	–
Profit for the year	–	26

The Group has discontinued the recognition of its share of losses of the associate because the share of losses of the associate exceeded the Group's interest in the associate. The Group's unrecognised share of profit of the associate for the current year was approximately of HK$Nil (2013: profit of HK$13,000), and unrecognised accumulated losses were approximately of HK$Nil (2013: HK$5,000) respectively.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 HK$'000	2013 HK$'000
Listed equity investment, at fair value		
Hong Kong	**17,183**	34,366

During the year, the gross loss in respect of the Group's available-for-sale financial assets recognised in other comprehensive income amounted to HK$17,183,000 (2013: Gain of HK$12,987,000).

23. OTHER ASSETS

Other assets of the Group comprise:

	2014 HK$'000	2013 HK$'000
Loans to Land Traders Properties and Development Company, Inc.	–	7,862
	–	7,862

The balance was write-off during the year.

24. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to certain banks and a financial institution to secure general banking facilities or loan and borrowings granted to subsidiaries of the Group:

	2014 HK$'000	2013 HK$'000
Buildings *(Note 17 and 34)*	766,257	–
Leasehold land *(Note 18 and 34)*	61,061	–
	827,318	–
Pledged bank balances including:		
Amount pledged to banks to secure mortgage facilities granted to purchasers of the Group's properties held for sale	1,528	1,950
Amount pledged to a bank to secure the issuance of a bank guarantee in favour of a landlord under an operating lease	317	–
	1,845	1,950
	829,163	1,950

25. DEFERRED TAX ASSETS/(LIABILITIES)

	Deferred tax assets: Bad debt provision HK$'000	Deferred tax assets: Tax losses HK$'000	Deferred tax liabilities: Accelerated tax depreciation HK$'000	Total HK$'000
At 1 January 2014	–	–	–	–
Addition — acquisition of subsidiaries	–	9,752	(120,084)	(110,332)
Credited/(charged) to profit or loss	5,657	(455)	6,375	11,577
Exchange realignment	–	18	–	18
At 31 December 2014	5,657	9,315	(113,709)	(98,737)

As at 31 December 2014, the Group has tax losses arising in Hong Kong of HK$71,878,000 (2013: HK$73,419,000) that are available indefinitely for offsetting against future taxable profits of the Group's subsidiaries in which the losses arose. The Group also has tax losses arising in the PRC of HK$38,872,000 (2013: HK$17,982,000) that will expire in one to five years for offsetting against future taxable profits.

No deferred tax asset has been recognised in respect of these tax losses, except for the tax losses of HK$17,982,000 arising in the PRC from the hotel business segment, due to the unpredictability of future profit streams.

26. PROPERTIES HELD FOR SALE UNDER DEVELOPMENT

	2014 HK$'000	2013 HK$'000
Located in the PRC		
Properties held for sale under development, at cost	**70,201**	70,849

At the end of the reporting period, properties held for sale under development were not scheduled for completion within twelve months.

27. PROPERTIES HELD FOR SALE

	2014 HK$'000	2013 HK$'000
Located in the PRC		
Properties held for sale, at cost	**9,083**	16,218

28. INVENTORIES

	2014 HK$'000	2013 HK$'000
Goods held for sale, at cost	**364**	338

29. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2014 HK$'000	2013 HK$'000
Within 1 month	**6,813**	24
1–3 months	**–**	–
4–12 months	**–**	–
Over 1 year	**–**	–
	6,813	24

The Group's trading terms with its customers are mainly on credit, where payment in advance is normally required. The credit period is generally one month. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group has not identified any credit risk on these trade receivables. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

30. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 HK$'000	2013 HK$'000 (Restated)
Deposits	**368**	52
Prepayments and other receivables	**4,795**	289,732
	5,163	289,784

31. CASH AND CASH EQUIVALENTS

	2014 HK$'000	2013 HK$'000 (Restated)
Time deposits	**35,639**	38,367
Cash and bank balances	**31,815**	164,527
	67,454	202,894

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$47,750,000 (2013: HK$51,269,000). The RMB is not freely convertible into other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged bank balances are deposited with creditworthy banks with no recent history of default.

32. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2014 HK$'000	2013 HK$'000 (Restated)
Trade payables	**–**	–
Amount received in advance for the sales of properties held for sale	**48**	7,947
Other payables and accruals	**21,355**	28,628
	21,403	36,575

33. FINANCE LEASE PAYABLES

	2014 HK$'000	2013 HK$'000
Within 1 year	15	–
After 1 year but within 2 years	15	–
After 2 years but within 5 years	35	–
	65	–

34. LOAN AND BORROWINGS

	2014 HK$'000	2013 HK$'000
Within 1 year	39,078	–
After 1 year but within 2 years	31,262	–
After 2 years but within 5 years	96,289	–
	166,629	–

At 31 December 2014, two loans lent by a financial institution to a subsidiary of the Group with principal outstanding of HK$66,589,000 (at interest rate of 4.95‰ per month) and HK$100,040,000 (at interest rate of 8.16% per annum, 20% on top of base interest rate) respectively were secured by the buildings and leasehold land of the Group located in Maoming City, the PRC.

35. OTHER BORROWING

The borrowing is an unsecured loan, at interest rate of 5% per annum from an independent third party.

	2014 HK$'000	2013 HK$'000
Within 1 year	4,000	–
After 1 year but within 2 years	–	–
After 2 years but within 5 years	–	–
After 5 years	–	–
	4,000	–

36. NON-INTEREST-BEARING OTHER BORROWINGS

	2014 HK$'000	2013 HK$'000
Advancement from the non-controlling interests of subsidiaries	–	16,710

37. BONDS

	2014 HK$'000	2013 HK$'000
Unsecured bonds, at amortised cost		
First tranche, issued on 14 April 2014	**117,451**	–
Second tranche, issued on 21 May 2014	**134,054**	–
	251,505	–

These two tranches of bond were issued by the Group as part of consideration payable for the acquisition of subsidiaries which had been completed on 14 April 2014. The bonds with principal amount of HK$150,000,000 and HK$175,000,000 respectively bear interest rate at 3.50% per annum and are unsecured and to be matured on the fourth anniversary from the issuance date. The bonds were initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

38. ACQUISITION OF SUBSIDIARIES

On 14 April 2014, the Group acquired 100% equity interest in Born King Investment Holdings Limited, First Max International Limited and their respective subsidiaries which specialise in hotel business. The purchase consideration for the Acquisition was in the form of cash with HK$130,000,000 paid on 28 June 2013, HK$150,000,000 paid on 05 August 2013 and HK$120,000,000 paid on 17 April 2014 respectively; and of bonds issued (Note 37). Fair values of the identifiable assets acquired and liabilities assumed as well as consideration given for the acquisition were as follows:

	Fair value recognised on acquisition HK$'000
Fair value of the identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	**876,307**
Licensing rights	**93,131**
Prepaid land lease payments	**62,415**
Deferred tax assets	**9,752**
Trade and other receivables	**13,164**
Cash and cash equivalents	**2,709**
Trade payables, other payables and accruals	**(36,168)**
Tax payable	**(5,932)**
Loan and borrowings	**(189,742)**
Deferred tax liabilities	**(120,084)**
Total identifiable net assets at fair value	**705,552**
Gain on bargain purchase	**(65,738)**
Total	**639,814**
Satisfied by:	
Fair value of consideration given	
Cash	**400,000**
Bonds at fair value, at issuance date	**239,814**
	639,814

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to HK$11,397,000 and HK$ 1,767,000, respectively. The gross contractual amounts of trade receivables and other receivables were HK$ 11,397,000 and HK$ 1,767,000, respectively.

The Group incurred transaction costs of HK$7,375,000 for this acquisition. These transaction costs had been expensed in the consolidated statement of profit or loss (Note 11).

Gain on bargain purchase represents the excess of fair value of consideration transferred at acquisition over the fair value of the identifiable assets acquired and liabilities assumed for this acquisition.

Net cash outflow on acquisition of subsidiaries

	HK$'000
Consideration paid in cash	**400,000**
Less: cash and cash equivalent balances acquired	**(2,709)**
	397,291

Impact of acquisitions on the results of the Group

Total turnover of the Group for the year ended 31 December 2014 includes an amount of HK$85.6 million in respect of turnover contributed by Born King Investment Holdings Limited, First Max International Limited and their subsidiaries which collectively contributed profits for the year ended 31 December 2014 for the Group amounting to HK$ 57.7 million.

39. SHARE CAPITAL

	2014 HK$'000	2013 HK$'000
Authorised:		
100,000,000,000 (2013: 100,000,000,000)		
ordinary shares of HK$0.01 (2013: HK$0.01) each	**1,000,000**	1,000,000
Issued and fully paid:		
1,931,638,040 (2013: 1,931,638,040)		
ordinary shares of HK$0.01 (2013: HK$0.01) each	**19,316**	19,316

40. FINANCIAL POSITION OF THE COMPANY

	2014 HK$'000	2013 HK$'000
Investments in subsidiaries	**44,801**	44,801
Due from subsidiaries	**451,010**	279,159
Due to an associate	**–**	(182)
Cash and cash equivalents	**6,769**	132,903
Other assets	**8,034**	296,300
Due to subsidiaries	**(350,797)**	(346,251)
Other current liabilities	**(629)**	(5,089)
NET ASSETS	**159,188**	401,641
Share capital	**19,316**	19,316
Reserves	**139,872**	382,325
TOTAL EQUITY	**159,188**	401,641

41. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 33 of the consolidated financial statements.

(b) Company

	Share premium account HK$'000	Capital reduction reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2013	223,216	191,925	(24,860)	390,281
Total comprehensive loss for the year	–	–	(7,956)	(7,956)
At 31 December 2013	223,216	191,925	(32,816)	382,325
Total comprehensive loss for the year	–	–	(242,453)	(242,453)
At 31 December 2014	**223,216**	**191,925**	**(275,269)**	**139,872**

42. DISPOSAL OF A SUBSIDIARY

On 31 December 2013, the Group disposed of its equity interest in the Disposal Company. The net assets of the Disposal Company at the date of disposal were as follows:

	2014 HK$'000	2013 HK$'000
Loss on disposal, represented by:		
Gross proceeds from the Disposal	–	2,000
Less: Loss on waiver of amount due from the Disposal Group	–	–
Transaction costs of the Disposal	–	–
Net assets of the Disposal Group at the date of disposal:		
Property, plant and equipment	–	(5,177)
Trade and other receivables	–	(3,981)
Cash and cash equivalents	–	(156)
Trade payables, other payables and accruals	–	3,579
	–	(5,735)
	–	(3,735)
Satisfied by:		
Cash	–	2,000

Net cash inflow on disposal a subsidiary

	2014 HK$'000	2013 HK$'000
Consideration received in cash	–	2,000
Less: cash and cash equivalents of disposal subsidiary	–	(156)
	–	1,844

43. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases part of its property in Maoming City, the PRC under a non-cancellable operating lease agreement, with lease terms for five years. The lease agreement requires the tenant to pay security deposit and provide for rent adjustments starting from the third to fifth years of the lease.

At the end of the reporting period, the Group had total future minimum lease receivables falling due as follows:

	2014 HK$'000	2013 HK$'000
Within one year	**1,143**	–
In the second to fifth years, inclusive	**1,624**	–
	2,767	–

(b) As lessee

The Group leases certain of its office properties under operating lease commitments. Leases for properties are negotiated for terms ranging from one to four years. None of the leases includes contingent rentals.

Minimum lease payments under operating leases during the period:

	2014 HK$'000	2013 HK$'000
Office premises	**2,180**	10,673

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2014 HK$'000	2013 HK$'000
Within one year	**2,261**	837
In the second to fifth years, inclusive	**3,722**	365
	5,983	1,202

44. CAPITAL COMMITMENTS

At the end of the reporting period, the Group's capital commitments were as follows:

	2014 HK$'000	2013 HK$'000
Contracted, but not provided for	**–**	445,000
	–	445,000

45. CONTINGENT LIABILITIES

As at 31 December 2014, the Group had contingent liabilities amounting to HK$1,710,000 (2013: HK$1,565,000) in respect of the buy-back guarantee in favor of banks to secure mortgage loans facilities granted to the purchasers of the Group's properties held for sales.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the accounts for the guarantees.

46. ADOPTION OF NEW SHARE OPTION SCHEME

The Company operates a new share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company›s subsidiaries. The Scheme became effective on 8 June 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any options to be granted under any other scheme must not in aggregate exceed 10% of the aggregate of the shares in issue as at the adoption date. Options lapsed in accordance with the terms of the Scheme and any other scheme will not be counted for the purpose of calculating the 10% limit.

Each grant of options to a participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Scheme must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of the options). Where any grant of options to substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted under the Scheme (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (A) representing in aggregate over 0.1% of the shares in issue; and (B) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such further grant of options by the board must be approved by the shareholders in general meeting (the vote on such approval to be taken on a poll). Any shareholder who is connected person of the Company must abstain from voting in favour of the resolution to approve such further grant of options. A shareholders' circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms of the options to be granted and containing the recommendation from the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option) as to voting and any other information as required under the Listing Rules. Any change in the terms of options granted to substantial shareholders or independent non-executive directors or any of their respective associates must be approved by the shareholders in general meeting.

A participant shall pay the Company HK$1.00 for the grant of an option on acceptance of an option offer within 21 days after the offer date. The option price will be determined by the board at its absolute discretion and notified to an option-holder. The minimum option price shall not be less than the highest of: (A) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (B) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (C) the nominal value of the shares.

No dividends will be payable and no voting rights will be exercisable in relation to an option that has not been exercised (including those arising on a liquidation of the Company). Shares issued on the exercise of an option will rank equally in all respects with the shares in issue on the date of allotment. They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to shares by reference to a date preceding the date of allotment. The shares subject to the Scheme are not required to be separately designated.

No options were granted during the year ended 31 December 2014.

47. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the continuing operation of the Group as at the end of the reporting period are as follows:

Financial assets

2014

	Financial assets at fair value though profit or loss (held for trading) HK$'000	Loans and receivables HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000
Available-for-sale financial assets	–	–	17,183	17,183
Trade receivables	–	6,813	–	6,813
Prepayments, deposits and other receivables	–	5,163	–	5,163
Pledged bank balances	–	1,845	–	1,845
Cash and cash equivalents	–	67,454	–	67,454
	–	81,275	17,183	98,458

2013

	Financial assets at fair value though profit or loss (held for trading) HK$'000	Loans and receivables HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000 (Restated)
Available-for-sale financial assets	–	–	34,366	34,366
Trade receivables	–	24	–	24
Prepayments, deposits and other receivables	–	306,208	–	306,208
Cash and cash equivalents	–	186,470	–	186,470
Other assets	–	7,862	–	7,862
Pledged bank balances	–	1,950	–	1,950
	–	502,514	34,366	536,880

Financial liabilities

Financial liabilities at amortised cost	2014 HK$'000	2013 HK$'000 (Restated)
Trade payables, other payables and accruals	21,403	36,575
Due to associates	–	182
Finance lease payables	65	–
Loan and borrowings	166,629	–
Other borrowing	4,000	–
Non-interest bearing other borrowings	–	16,710
Bonds	251,505	–
	443,602	53,467

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

The Group's accounting team headed by the Group Financial Controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments, and reports directly to executive directors and the audit committee. On a regular basis, the Group's accounting team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuations. The valuation process and results will be discussed with the audit committee at least once a year.

48.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial assets/ financial liabilities	31 December 2014		31 December 2013		Fair value hierarchy	Valuation technique(s) and key input(s)
	Fair value	Carrying amount	Fair value	Carrying amount		
Available-for-sale financial assets	Listed equity securities in Hong Kong: Financial Services industry — HK$17 m	HK$17 m	Listed equity securities in Hong Kong: Financial Services industry — HK$34 m	HK$34 m	Level 1	Quoted market prices in an active market.

48.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	31 December 2014		31 December 2013	
	Fair value HK$'000	**Carrying amount HK$'000**	Fair value HK$'000	Carrying amount HK$'000
Financial assets				
Available-for-sale financial assets	**17,183**	**17,183**	34,366	34,366
Trade receivables	**6,813**	**6,813**	24	24
Prepayments, deposits and other receivables	**5,163**	**5,163**	289,784	289,784
Other assets	**–**	**–**	7,862	7,862
Pledged bank balances	**1,845**	**1,845**	1,950	1,950
Cash and cash equivalents	**67,454**	**67,454**	202,894	202,894
Financial liabilities				
Trade payables, other payables and accruals	**21,403**	**21,403**	36,575	36,575
Due to associates	**–**	**–**	182	182
Loan and borrowings	**166,629**	**166,629**	–	–
Other borrowings	**4,000**	**4,000**	–	–
Non-interest bearing other borrowings	**–**	**–**	16,710	16,710
Bonds	**251,505**	**251,505**	–	–
Finance lease payables	**65**	**65**	–	–

The Group did not have any other assets measured at fair value as at 31 December 2014 and 31 December 2013.

The Group did not have any other liabilities measured at fair value as at 31 December 2014 and 31 December 2013

49. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2014 are as follows:

Name of company	Place of incorporation/ registration and operations	Nominal value of issued and paid-up capital	Percentage of equity attributable to the Company 2014	2013	Class of shares held	Principal activities
Born King Investment Holding Limited	British Virgin Islands	US$1	**100**	100	Ordinary	Hotel business
Bright Profit Investments Limited	British Virgin Islands/ The People's Republic of China	US$50,000	**55**	55	Ordinary	Property development
Ceneric Finance Limited	Cayman Islands	HK$200	**100**	100	Ordinary	Investment holding
Ceneric Financial Services Limited	Hong Kong	HK$42,924,000	**100**	100	Ordinary	Investment holding
Ceneric Capital Limited (Formerly known as Ceneric Foreign Exchange Limited)	Hong Kong	HK$300,000	**100**	100	Ordinary	Money lending
Ceneric Hotel International Limited	Cayman Islands	HK$200	**100**	100	Ordinary	Investment holding
Ceneric Hotel Investments Limited	Cayman Islands	HK$200	**100**	100	Ordinary	Investment holding
Ceneric Properties Limited	British Virgin Islands	US$2	**100**	100	Ordinary	Investment holding
Ceneric Travel International Limited	Cayman Islands	HK$200	**100**	100	Ordinary	Investment holding
Consing Investment Limited	Hong Kong	HK$2	**100**	100	Ordinary	Investment holding
Ever Point Enterprises Limited	British Virgin Islands	US$1	**100**	100	Ordinary	Hotel business
First Max International Limited	British Virgin Islands	US$3	**100**	100	Ordinary	Hotel business
Good Able Investment Limited	Hong Kong	HK$3	**100**	100	Ordinary	Hotel business

Name of company	Place of incorporation/ registration and operations	Nominal value of issued and paid-up capital	Percentage of equity attributable to the Company 2014	2013	Class of shares held	Principal activities
Jubilation Properties Limited	British Virgin Islands/ The People's Republic of China	US$50,000	**55**	55	Ordinary	Property development
Speed Gainer Limited	Hong Kong	HK$1	**100**	100	Ordinary	Investment holding
Vista International Hotels Limited	Hong Kong	HK$10	**100**	100	Ordinary	Investment holding
		HK$300,000	**100**	100	Non-voting deferred	
Zhongshan Morning Star Plaza Housing and Real Estate Development Limited	The People's Republic of China	US$2,100,000	**55**	55	Registered capital	Property development
Zhongshan Morning Star Villa Club Co., Ltd.	The People's Republic of China	US$1,400,000	**55**	55	Registered capital	Operation of clubhouses in Morning Star Villa
Zhongshan Morning Star Villa Housing and Real Estate Development Limited	The People's Republic of China	US$4,600,000	**55**	55	Registered capital	Property development
茂名市華盈酒店物業管理有限公司	The People's Republic of China	HK$10,000,000	**100**	100	Registered capital	Hotel business

The above table lists the subsidiaries of the Company as at 31 December 2014 which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

50. INVESTMENTS IN SUBSIDIARIES

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2014	2013
Percentage of equity interest held by non-controlling interests:		
Bright Profit Investments Limited	**45%**	45%
Jubilation Properties Limited	**45%**	45%
Zhongshan Morning Star Plaza Housing and Real Estate Development Limited	**45%**	45%
Zhongshan Morning Star Villa Housing and Real Estate Development Limited	**45%**	45%

	2014 HK$'000	2013 HK$'000
Profit/(loss) for the year allocated to non-controlling interests:		
Bright Profit Investments Limited	**(42)**	995
Jubilation Properties Limited	**(33)**	4,640
Zhongshan Morning Star Plaza Housing and Real Estate Development Limited	**2,888**	(7,278)
Zhongshan Morning Star Villa Housing and Real Estate Development Limited	**(599)**	(3,871)
Accumulated balances of non-controlling interests at the reporting dates:		
Bright Profit Investments Limited	**18,335**	10,345
Jubilation Properties Limited	**23,935**	12,658
Zhongshan Morning Star Plaza Housing and Real Estate Development Limited	**9,328**	14,146
Zhongshan Morning Star Villa Housing and Real Estate Development Limited	**11,864**	15,726

	2014 HK$'000	2013 HK$'000
Bright Profit Investments Limited		
Total revenue	–	2,263
Total expenses	(92)	(51)
(Loss)/profit for the year	(92)	2,212
Total comprehensive (loss)/income for the year	(92)	2,212
Current assets	39,362	56
Non-current assets	16,379	16,379
Current liabilities	(138)	(53)
Non-current liabilities	–	–
Net cash flows used in operating activities	(7)	(32)
Net decrease in cash and cash equivalents	(7)	(32)
Jubilation Properties Limited		
Total revenue	27	10,366
Total expenses	(101)	(56)
(Loss)/profit for the year	(74)	10,310
Total comprehensive (loss)/income for the year	(74)	10,310
Current assets	65,466	151
Non-current assets	46,730	46,730
Current liabilities	(163)	(78)
Non-current liabilities	–	–
Net cash flows generated from/(used in) operating activities	11	(139)
Net increase/(decrease) in cash and cash equivalents	11	(139)

	2014 HK$'000	2013 HK$'000
Zhongshan Morning Star Plaza Housing and Real Estate Development Limited		
Total revenue	**9,633**	3,445
Total expenses	**(3,215)**	(19,619)
Profit/(loss) for the year	**6,418**	(16,174)
Total comprehensive income/(loss) for the year	**6,418**	(16,174)
Current assets	**67,186**	69,953
Non-current assets	**17**	18
Current liabilities	**(477)**	(8,259)
Non-current liabilities	**(38,439)**	(39,312)
Net cash flows (used in)/generated from operating activities	**(1,506)**	9,041
Net cash flows used in investing activities	**(4)**	(660)
Net (decrease)/increase in cash and cash equivalents	**(1,510)**	8,381
Zhongshan Morning Star Villa Housing and Real Estate Development Limited		
Total revenue	**2,140**	4,582
Total expenses	**(3,472)**	(13,185)
Loss for the year	**(1,332)**	(8,603)
Total comprehensive income/(loss) for the year	**(1,332)**	(8,603)
Current assets	**82,232**	86,688
Non-current assets	**12**	–
Current liabilities	**(1,372)**	(2,624)
Non-current liabilities	**(25,342)**	(25,917)
Net cash flows used in operating activities	**(2,130)**	(6,625)
Net cash flows (used in)/generated from investing activities	**(14)**	47
Net cash flows generated from financing activities	**–**	1,688
Net decrease in cash and cash equivalents	**(2,144)**	(4,890)

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank balances and cash, equity investments, borrowings, amounts due from/to related companies and associates. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's interest rate risk arises primarily from the Group's bank deposits. All the deposits are on a floating rate basis.

The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group's net deposits (being bank deposits less interest- bearing financial liabilities) is closely monitored by management.

At 31 December 2014, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would increase/decrease the Group's profit before tax and equity by approximately HK$693,000 (2013: HK$1,884,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 1% increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2013.

Foreign currency risk

The Group has certain foreign currency monetary assets and liabilities and was exposed to foreign exchange risk rising from various kinds of currency exposures, mainly comprising United States Dollars ("USD"), Malaysian Ringgit ("MYR"), Philippine Peso ("PHP"), Australian Dollars ("AUD") and Renminbi ("RMB"). The Group monitors foreign exchange exposure and would consider hedging significant foreign currency exposure should the need arise.

The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 1% fluctuation in USD and a 5% fluctuation in other foreign currency exchange rates. As at 31 December 2014, the sensitivity analysis of a 1% and 5% decrease in HKD against USD and other foreign currencies would have a increase of HK$1,000 and a decrease of HK$13,618,000 in equity (2013: a decrease of HK$151,000 and an increase of HK$2,136,000) respectively.

Price risk

The Group's available-for-sale financial assets are measured at fair value at each reporting date. Therefore, the Group is exposed to equity security price risk. The directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2014 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables and loan receivables. In order to minimise credit risk, management has certain monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables regularly at each reporting date to ensure that adequate impairment losses are adequately made for irrecoverable amounts. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2014					
	On demand HK$'000	Less than 3 months HK$'000	3 to less than 12 months HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Trade payables, other payables, and accruals	21,403	–	–	–	–	21,403
Due to associates	–	–	–	–	–	–
Loan and borrowings	–	–	39,078	127,551	–	166,629
Other borrowings	–	–	4,000	–	–	4,000
Non–interest bearing other borrowings	–	–	–	–	–	–
Bonds	–	–	–	325,000	–	325,000
Finance lease payables	–	2	13	50	–	65
	21,403	2	43,091	452,601	–	517,097

	2013					
	On demand HK$'000	Less than 3 months HK$'000	3 to less than 12 months HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Trade payables, other payables, and accruals	36,575	–	–	–	–	36,575
Due to associates	182	–	–	–	–	182
Loan and borrowings	–	–	–	–	–	–
Other borrowings	–	–	–	–	–	–
Non–interest bearing other borrowings	16,710	–	–	–	–	16,710
Bonds	–	–	–	–	–	–
Finance lease payables	–	–	–	–	–	–
	53,467	–	–	–	–	53,467

Capital risk management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 31 December 2013.

52. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following non-cash financing and investing activities which are not reflected in the consolidated statement of cash flows:

— During the year of 2014, the Group issued two tranches of bond with principal amount of HK$150,000,000 and HK$175,000,000 respectively as part of consideration payable for the acquisition of subsidiaries which had been completed on 14 April 2014 (Note 38).

— During the year of 2014, the Group acquired an equipment at a cost of HK$74,000 under a finance lease. (2013: nil)

53. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

54. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27 March 2015.

For the year ended 31 December 2014

COMPLETED PROPERTIES HELD FOR SALE

Name/location	Use	Gross floor area (sq.m.)	Percentage of Group's interest
Morning Star Villa, Mu He Path, Gangkouzhen Zhongshan, Guangdong PRC	Residential	911	55
Morning Star Plaza Qing Miao Di Hou Shan Guan Li Qu Xi Qu Zhongshan Guangdong PRC	Residential/Commercial	2,921	55

PROPERTIES UNDER DEVELOPMENT HELD FOR SALE

Name/location	Use	Site area (sq.m.)	Percentage of Group's interest
Morning Star Villa Mu He Path Gangkouzhen Zhongshan Guangdong PRC	Residential/Commercial	151,675	55
Morning Star Plaza Qing Miao Di Hou Shan Guan Li Qu Xi Qu Zhongshan Guangdong PRC	Residential/Commercial	7,344	55

Five-Year Financial Summary

The following summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out below:

RESULTS

	Year ended 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
CONTINUING OPERATIONS					
REVENUE	**96,965**	4,398	8,754	33,522	23,379
PROFIT/(LOSS) BEFORE TAX	**32,131**	(52,179)	140,784	3,189	(32,203)
INCOME TAX CREDIT/(EXPENSE)	**11,577**	–	(2,554)	(28)	(34)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**43,708**	(52,179)	138,230	3,161	(32,237)
DISCONTINUED OPERATIONS					
Profit/(loss) for the year from disposed subsidiaries	**–**	–	(52,025)	3,746	9,131
PROFIT/(LOSS) FOR THE YEAR	**43,708**	(52,179)	86,205	6,907	(23,106)
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**44,978**	(42,642)	94,927	6,891	(11,157)
NON-CONTROLLING INTERESTS	**(1,270)**	(9,537)	(8,722)	16	(11,949)
	43,708	(52,179)	86,205	6,907	(23,106)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES					
NON-CURRENT ASSETS	**1,039,356**	60,483	57,560	35,546	63,982
CURRENT ASSETS	**159,078**	580,107	623,986	519,391	276,646
ASSETS ATTRIBUTABLE TO DISPOSED SUBSIDIARIES	**–**	–	–	86,920	53,175
CURRENT LIABILITIES	**(64,546)**	(53,467)	(69,471)	(47,287)	(54,130)
NON-CURRENT LIABILITIES	**(492,765)**	–	–	–	–
LIABILITIES ATTRIBUTABLE TO DISPOSED SUBSIDIARIES	**–**	–	–	(75,784)	(62,878)
NET ASSETS	**641,123**	587,123	612,075	518,786	276,795
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**571,417**	543,159	562,602	459,902	217,927
NON-CONTROLLING INTERESTS	**69,706**	43,964	49,473	58,884	58,868
TOTAL EQUITY	**641,123**	587,123	612,075	518,786	276,795