SYMPHONY

SYMPHONY HOLDINGS LTD.

新 灃 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 AND CLOSURE OF BOOKS

FINANCIAL HIGHLIGHTS

- Total turnover increased from HK$219.2 million to HK$263.8 million representing a 20% increase.
- Profit attributable to the owners of the Company increased from HK$15.5 million to HK$19.1 million.
- Turnover of individual business segments were as follows: –

  Retailing and sourcing – HK$153.2 million (2013: HK$154.6 million);

  Branding – HK$42.7 million (2013: HK$33.2 million);

  Property investment and holding – HK$15.6 million (2013: HK$7.3 million);

  Outlet malls – HK$30.4 million (2013: HK$24.1 million);

  Financial services – HK$21.9 million (2013: nil).

* *For identification only*

CHAIRMAN'S STATEMENT AND OUTLOOK

As the new Chairman of the board of directors of the Company ("Board"), I am pleased to report that, in 2014, the Company had completed the successful transformation of its businesses from footwear manufacturing, and brand ownership and management to a company with the following business segments:–

A) retailing business
B) outlet mall
C) sport branding
D) financial services
E) property investment and holding

As this year was the first year after our successful transformation, some business segments are still at its investment and transitional stage, the results of the continuing operations and the newly acquired businesses were included in page 13 of this announcement.

REVIEW

A) Retailing business

1) Speedo

Under the collaboration and support from Speedo's international and Asian companies, we expanded the market shares through consolidating and expanding franchise stores and other brand strategies. Turnover was increasing steadily.

2) Duty free business

With intensifying economic collaboration between China and Taiwan, the relaxed restrictions of visa issuance policy, tourists from mainland China visiting Taiwan are becoming fervent. Kinmen, governed by Taiwan, is located in Fujian and is in close vicinity to Xiamen. With its natural geographical advantage, coupled with the benefiting government plans and policies, both Kinmen and Xiamen are highly likely to become the new hotspots for leisure tours and duty free purchase.

To grasp this market development opportunity, the Company successfully acquired the duty free shops of Golden Palaris in Kinmen in the second half year, and solidified its business foundation in several months.

B) Outlet malls

With economic growth slowing down, on-going introduction and enhancement of new government policies, consumers are more rational and shrewd and no longer blindly extravagant, this kind of solid and concrete spending mentality is beneficial to the development of our outlet malls business.

After two years of business development, the outlets owned and operated by the Company in Shenyang are becoming more and more stable and matured with turnover increasing steadily. Its future development will be responsive to market changes and consumer demand and we will explore and select more brands suitable for market needs.

Albeit somewhat behind the original schedule, Tianjin Park Outlets, managed and operated by the Company, finally commenced its operation by the end of 2014 and was warmly welcomed by citizens living nearby. In future, the Company will enhance the brand set up and branding to establish Tianjin Park Outlets to become the region's industry guidepost.

C) Sport branding

PONY

The Company and Anthony L&S Group, the principal licencee in USA, are actively cooperating to develop the PONY brand and has attracted ICONIX, a U.S. listed company, to express interest to acquire the PONY trademarks in USA and other regions. The Company negotiated with ICONIX actively in the second half of last year and eventually entered into the trademark purchase agreement for USA, Canada and Mexico in early February 2015 at a consideration of US$37 million. The negotiations for other regions are also actively underway.

D) Financial services

The acquisition of the entire interests of Jin Dragon which includes China Rise Finance Group Company Limited ("China Rise Finance") by the Company in April last year marked our official presence in the financial services sector. With the current demand in financial services and capital markets, China Rise Finance delivered positive results in its first year.

E) Property investment and holding

In addition, the Company had also completed the swapping of some of its properties nearby the Outlet Mall in Shenyang for four storeys of properties in Beijing Junefield Plaza ("Beijing Properties"), such move had further strengthened the property portfolio of the Company and increased its income source.

Out of the above business segments, the outlet malls and duty free business are similar and can complement each other. Brand owning and branding can strengthen the competitive advantages of both businesses and together with the provision of various financial support by our financial services segment, the business segments will demonstrate maximized synergistic effect.

PROSPECTS

The Company will continue to expand and intensify the development of each business segment.

1) For outlet malls, the Company has reached preliminary consensus with a renowned Mainland enterprise to accelerate the number of outlet malls in the target regions and such plans have already been finalized and under preparation.

2) For duty free business, the Company will continue to leverage on Kinmen's geographical and policy advantages to enhance its expansion, optimize its operation management, gradually expand its size, and work closely with suppliers to come up with suitable strategies to prepare for its medium and long term development.

3) For PONY brand, apart from USA, Canada and Mexico, the Company will continue to facilitate the collaboration with ICONIX in other regions to further enhance the brand development of PONY in these regions.

4) For Speedo, by building on its generic sound foundation, we hope to enhance the cooperation with the parent company of Speedo to expand the retail sector and its channels, and to consider further collaboration with other brands gradually.

5) For financial services, the Company will intensify and expand its current businesses, strengthen customer relationship management, improve operational efficiency in response to the demand in terms of the environment, sentiment and service entities.

With the above prospects, I am confident that each business will flourish and maximize its results while generating positive complementary impact among the segments and eventually bring maximized returns to the Company and shareholders.

Appreciation

I would take this opportunity to thank my fellow directors, our staff and stakeholders for their continuous support and contributions to the Company. As Mr. Chan Ting Chuen had retired from chairmanship at the end of last year, I would like to thank Mr. Chan, on behalf of the Board, for his contribution to the Company during his term of office.

Operation review

Turnover of the Company and its subsidiaries (the "Group") rose from HKD219.2 million to HKD263.8 million representing a 20% increase attributable to the organic growth of our Shenyang Park Outlet, acquisition of China Rise Finance in April last year, improved turnover of our Speedo operation and consolidation of the PONY brand ownership. A gross profit of HKD157.2 million was recorded.

Profit of the year attributable to the owners of the Company also increased 23% from HKD15.5 million to HKD19.1 million as a result of better topline.

Other income increased from HKD54.1 million to HKD74.3 million as interest income generated from available cash moved up. With the rise of property market, the fair value gain of investment properties rose from HKD4.5 million to HKD28.0 million. As the Group underwent restructuring and consolidation over the past two years, share of the results of joint ventures fell from loss of HKD33.6 million to loss of HKD1.5 million. Loss for the year from the continuing operations was reduced from HKD161.4 million to HKD9.5 million in light of the increased topline, interest income received and rise in the fair value of the property.

With acquisition of the Beijing Properties in September last year, the balance of investment properties rose from HKD729.2 million to HKD1,305.7 million representing a 79% increase. The interest in joint venture, fell from HKD35.4 million to HKD24.7 million as a result of consolidation and restructuring. The available-for-sale investments in the amount of HKD44.9 million and the goodwill of HKD35.6 million arose as a result of the acquisition of the China Rise Finance in the second quarter of 2014.

Acquisition of the duty free shop in Kinmen and the projected Speedo sales lead to an increase in inventories by HKD16.7 million. The inclusion of the results of the China Rise Finance also gave rise to an increase of trade and other receivables from HKD104.8 million to HKD116.6 million. HKD50.3 million of advances to customers in margin financing, loans receivable of HKD143.0 million and bank balances and cash held on behalf of customers in the amount of HKD22.2 million were also booked.

As reported in the 2014 interim report of the Company, out of the HKD291.7 million proceeds raised from the placing of shares in October 2013, HKD59 million were used for existing outlet mall operations, HKD21.7 million was used for general working capital of the Group while HKD150 million was repaid to the bank. The HKD61 million reserved for outlet mall expansion remained un-utilized.

MARKET INFORMATION

During the year, sales to the People's Republic of China, Hong Kong, Taiwan and other Asian countries comprised 94.2% (2013: 93.2%) of the total sales and the remaining 5.8% (2013: 6.8%) was mainly shared between United States of America, other European countries and South America.

Liquidity and capital resources

As at 31 December 2014, the Group had bank balances and cash of HKD562,362,000 (2013: HKD823,257,000). The Group was offered banking facilities amounting to HKD620,448,000 (2013: HKD569,259,000). As at 31 December 2014, the Group obtained bank borrowings in the amount of HKD465,336,000 (2013: HKD379,383,000). The Group has variable interest rate bank loans which carry interest range from 1.31% to 2.96% per annum. The effective interest rate of the Group's bank loans is 1.81% (2013: 1.81%). The gearing ratio stood at 21.27% (2013: 21.21%), based on total bank borrowings over shareholders' equity. The banking facilities were secured by corporate guarantees from the Company and certain of its subsidiaries. Bank loans are secured by certain land and buildings and investment properties of the Group.

Human resources

As at 31 December 2014, the total number of employees of the Group was 305. Employee costs (excluding directors' emoluments) amounted to approximately HKD67,056,000 (2013: HKD83,505,000).

In addition to competitive remuneration packages, discretionary bonuses and employee share options are awarded to eligible staff of the Group based on their performance and individual merits.

Share option schemes

On 10 June 2011, shareholders of the Company have approved and adopted a share option scheme (the "Scheme") for the purpose of providing eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. All directors of the Company ("Directors"), full-time employees and any other persons who, at the sole discretion of the Board of Directors, have contributed or will contribute to the Group are eligible to participate in the Scheme.

Pursuant to the Scheme, shares which may be issued upon exercise of all options to be granted under the Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue on the date of adoption. The Company may renew this 10% limit with shareholders' approval provided that each such renewal may not exceed 10% of shares in the Company in issue as at the date of the shareholders' approval.

The total number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme or any other share option scheme adopted by the Company must not exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of shares of the Company issued and to be issued upon the exercise of the options granted to each participant (including both exercised and unexercised options) under the Scheme or any other share option schemes adopted by the Company in any 12-month period must not exceed 1% of the shares of the Company in issue.

The period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the date of grant of the options. At the time of grant of the options, the Company may specify a minimum period for which an option must be held before it can be exercised. The offer of a grant of share options may be accepted within 14 days from the date on which the letter containing the offer is delivered to that participant and the amount payable on acceptance of an option is HKD1.00.

The subscription price for the shares of the Company to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Exchange on the date of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant. The subscription price will be approved by the Board of Directors at the time the option is offered to the participants.

No options may be granted under the Scheme after the date of the tenth anniversary of the adoption of the Scheme.

On 17 June 2014, a total of 6,000,000 share options were granted to a Director of the Company.

Details of the movements of the share options granted under the Scheme during the year ended 31 December 2014 are as follows:

				Number of share options				
Name of participants	Date of grant	Exercise period	Exercise price per share	Outstanding as at 1 January 2014	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2014
Directors	9/9/2013	9/9/2013 – 8/9/2016	HKD0.406	11,200,000	–	(11,200,000)	–	–
		9/9/2014 – 8/9/2016	HKD0.406	12,300,000	–	(3,800,000)	(1,500,000)	7,000,000
		9/9/2015 – 8/9/2016	HKD0.406	12,300,000	–	–	(1,500,000)	10,800,000
	9/10/2013	9/10/2013 – 8/10/2016	HKD0.402	2,000,000	–	(2,000,000)	–	–
		9/10/2014 – 8/10/2016	HKD0.402	1,500,000	–	–	(1,500,000)	–
		9/10/2015 – 8/10/2016	HKD0.402	1,500,000	–	–	(1,500,000)	–
	17/6/2014	17/6/2014 – 16/6/2017	HKD0.550	–	6,000,000	–	–	6,000,000
Employees	9/9/2013	9/9/2013 – 8/9/2016	HKD0.406	13,600,000	–	(13,600,000)	–	–
		9/9/2014 – 8/9/2016	HKD0.406	12,000,000	–	(9,680,000)	–	2,320,000
		9/9/2015 – 8/9/2016	HKD0.406	12,000,000	–	–	–	12,000,000
	9/10/2013	9/10/2013 – 8/10/2016	HKD0.402	5,410,000	–	(4,290,000)	(580,000)	540,000
		9/10/2014 – 8/10/2016	HKD0.402	4,470,000	–	–	–	4,470,000
		9/10/2015 – 8/10/2016	HKD0.402	4,470,000	–	–	–	4,470,000
				92,750,000	6,000,000	(44,570,000)	(6,580,000)	47,600,000
Weighted average exercise price				0.405	0. 550	0.405	0.404	0.423

Details of the movements of the share options granted under the Scheme during the year ended 31 December 2013 are as follows:

				Number of share options				
Name of participants	Date of grant	Exercise period	Exercise price per share	Outstanding as at 1 January 2013	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2013
Directors	9/9/2013	9/9/2013 – 8/9/2016	HKD0.406	–	16,400,000	(5,200,000)	–	11,200,000
		9/9/2014 – 8/9/2016	HKD0.406	–	12,300,000	–	–	12,300,000
		9/9/2015 – 8/9/2016	HKD0.406	–	12,300,000	–	–	12,300,000
	9/10/2013	9/10/2013 – 8/10/2016	HKD0.402	–	2,000,000	–	–	2,000,000
		9/10/2014 – 8/10/2016	HKD0.402	–	1,500,000	–	–	1,500,000
		9/10/2015 – 8/10/2016	HKD0.402	–	1,500,000	–	–	1,500,000
Employees	9/9/2013	9/9/2013 – 8/9/2016	HKD0.406	–	16,000,000	(2,400,000)	–	13,600,000
		9/9/2014 – 8/9/2016	HKD0.406	–	12,000,000	–	–	12,000,000
		9/9/2015 – 8/9/2016	HKD0.406	–	12,000,000	–	–	12,000,000
	9/10/2013	9/10/2013 – 8/10/2016	HKD0.402	–	5,960,000	(550,000)	–	5,410,000
		9/10/2014 – 8/10/2016	HKD0.402	–	4,470,000	–	–	4,470,000
		9/10/2015 – 8/10/2016	HKD0.402	–	4,470,000	–	–	4,470,000
				–	100,900,000	(8,150,000)	–	92,750,000
Weighted average exercise price				N/A	0.405	0.406	N/A	0.405

The number and weighted average exercise price of share options exercisable at the end of reporting period are 20,330,000 shares and HKD0.448 (2013: 32,210,000 shares and HKD0.405), respectively.

The weighted average remaining contractual life for share options outstanding at the end of reporting period is 1.80 years (2013: 2.69 years). The weighted average share price at the date of exercise of options exercised during the year was HKD0.63 (2013: HKD0.45).

The total number of securities available for issue under the share option scheme as at 31 December 2014 was 749,704,074 shares (including options for 47,600,000 shares that have been granted but not yet lapsed or exercised) (2013: 622,955,074 shares (including options for 92,750,000 shares that have been granted but not yet lapsed or exercised) which represented 28.1% (2013: 29.6%) of the issued share capital of the Company at 31 December 2014.

The estimated fair value of the options granted on 9 September 2013 was HKD0.1184 per option. The fair value was calculated using the Black-Scholes model with Binomial Tree method. The inputs into the model were as follows:

Share price at grant date	HKD0.400
Exercise price	HKD0.406
Expected volatility	43.526%
Expected life	3 years
Risk-free rate	0.693%
Expected dividend yield	0%

The estimated fair value of the options granted on 9 October 2013 was HKD0.1204 per option. The fair value was calculated using the Black-Scholes model with Binomial Tree method. The inputs into the model were as follows:

Share price at grant date	HKD0.400
Exercise price	HKD0.402
Expected volatility	44.015%
Expected life	3 years
Risk-free rate	0.545%
Expected dividend yield	0%

The estimated fair value of the options granted on 17 June 2014 was HKD0.1921 per option. The fair value was calculated using the Black-Scholes model with Binomial Tree method. The inputs into the model were as follows:

Share price at grant date	HKD0.550
Exercise price	HKD0.550
Expected volatility	51.087%
Expected life	3 years
Risk-free rate	0.771%
Expected dividend yield	0%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years.

The share options granted on 9 September 2013 are subject to the following vesting schedule:

Vesting schedule	**Maximum number of share options exercisable**
From 9 September 2013 to 8 September 2014	40%
From 9 September 2014 to 8 September 2015	70%
From 9 September 2015 to 8 September 2016	100%

The share options granted on 9 October 2013 are subject to the following vesting schedule:

Vesting schedule	Maximum number of share options exercisable
From 9 October 2013 to 8 October 2014	40%
From 9 October 2014 to 8 October 2015	70%
From 9 October 2015 to 8 October 2016	100%

No vesting conditions are set for the share options granted on 17 June 2014.

The fair value of share options granted is recognised as an employee cost with a corresponding increase in share options reserve within equity over the relevant vesting periods.

The Group recognised an expense of approximately HKD5,483,000 (2013: HKD6,387,000) for the year ended 31 December 2014 in relation to share options granted by the Company.

Events after the reporting period

(a) On 26 January 2015, the Group entered into a purchase agreement and pursuant to which the Group conditionally agreed to acquire an additional 12% equity interest in a non wholly-owned subsidiary, 瀋陽建新聯合置業有限公司 ("Shenyang Keenson") from its non controlling shareholder for a consideration of RMB22,300,000 (equivalent to HKD27,800,000). After this acquisition, Shenyang Keenson remained as a non wholly-owned subsidiary of the Company and this was to be accounted for as an equity transaction in the Group's consolidated financial statements.

(b) On 2 February 2015, the Group entered into a disposal agreement and pursuant to which the Group has agreed to dispose the PONY Trademark in the United States, Mexico and Canada for a consideration of USD30,000,000 (equivalent to HKD232,500,000) and USD7,000,000 (equivalent to HKD54,300,000) respectively.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** **HKD'000**	2013 HKD'000 (Restated)
Continuing operations			
Revenue	*4*	**263,831**	219,165
Cost of sales		**(106,670)**	(126,531)
Gross profit		**157,161**	92,634
Other income and gains	*7(a)*	**74,329**	54,077
Distribution and selling expenses		**(96,509)**	(100,635)
Administrative expenses		**(178,878)**	(168,719)
Finance costs	*5*	**(5,599)**	(8,516)
Other expenses	*7(b)*	**(7,529)**	(27,268)
Increase in fair value of investment properties		**27,973**	4,500
Share of results of joint ventures		**(1,479)**	(33,606)
Loss before income tax credit		**(30,531)**	(187,533)
Income tax credit	*6*	**2,133**	2,079
Loss for the year from continuing operations	*7(c)*	**(28,398)**	(185,454)
Discontinued operations			
Profit for the year from discontinued operations, after tax	*7(d)*	**28,604**	176,870
Profit/(loss) for the year		**206**	(8,584)
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss:			
Surplus arising on revaluation of properties		**26,191**	12,325
Deferred tax liability arising on revaluation of properties		**(2,454)**	262
		23,737	12,587
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on available-for-sale investments		**(14,749)**	39
Release of investments revaluation reserve to profit or loss upon disposal of available-for-sale investments		**–**	(45)
Translation reserves released to profit or loss on disposal of subsidiaries		**–**	(84,010)
Translation reserve release to profit or loss on disposal of joint ventures		**1,430**	–
Exchange differences arising on translation of foreign operations		**(38,510)**	37,195
Share of other comprehensive income of joint ventures		**(500)**	(1,520)
		(52,329)	(48,341)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** **HKD'000**	2013 HKD'000
Other comprehensive income for the year, net of tax		**(28,592)**	(35,754)
Total comprehensive income for the year		**(28,386)**	(44,338)
Profit/(loss) for the year attributable to:			
Owners of the Company			
Loss for the year from continuing operations		**(9,509)**	(161,416)
Profit for the year from discontinued operations		**28,604**	176,870
Profit for the year attributable to owners of the Company		**19,095**	15,454
Non-controlling interests			
Loss for the year from continuing operations		**(18,889)**	(24,038)
Loss for the year attributable to non-controlling interests		**(18,889)**	(24,038)
		206	(8,584)
Total comprehensive income attributable to:			
Owners of the Company		**(3,731)**	(31,790)
Non-controlling interests		**(24,655)**	(12,548)
		(28,386)	(44,338)
Earnings/(loss) per share	*9*		
Basic and diluted *(HK cents)*			
From continuing and discontinued operations		**0.81**	1.05
From continuing operations		**(0.40)**	(10.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	NOTES	2014 HKD'000	2013 HKD'000
Non-current assets			
Property, plant and equipment		**530,599**	514,283
Investment properties		**1,305,717**	729,233
Prepaid lease payments		**277,346**	292,590
Intangible assets		**210,545**	209,916
Interests in joint ventures		**24,662**	35,369
Available-for-sale investments		**44,888**	–
Goodwill		**35,590**	–
Deferred tax assets		**45,699**	23,207
Tax recoverable		**52,314**	52,314
Club debentures		**2,326**	2,326
Restricted bank deposit		**3,743**	3,843
Statutory deposits for financial services business		**200**	–
		2,533,629	1,863,081
Current assets			
Inventories		**41,785**	25,120
Amounts due from joint ventures		**–**	84,128
Trade and other receivables	*10*	**116,579**	104,757
Advances to customers in margin financing	*11*	**50,344**	–
Loans receivable	*12*	**143,006**	–
Prepaid lease payments		**7,420**	7,618
Trading securities		**9,545**	–
Restricted bank deposit		**1,573**	–
Pledged bank deposit		**–**	57,641
Bank balances and cash – held on behalf of customers		**22,173**	–
Bank balances and cash		**562,362**	823,257
		954,787	1,102,521
Current liabilities			
Trade and other payables	*13*	**295,688**	287,862
Amounts due to joint ventures		**26,427**	44,934
Bank borrowings		**465,336**	379,383
Tax payable		**47,192**	41,109
		834,643	753,288
Net current assets		**120,144**	349,233
Total assets less current liabilities		**2,653,773**	2,212,314
Non-current liabilities			
Obligations arising from a joint venture		**–**	64,859
Loan from non-controlling interests		**153,254**	–
Deferred tax liabilities		**88,776**	85,913
		242,030	150,772
		2,411,743	2,061,542

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2014

	2014	2013
	HKD'000	*HKD'000*
Equity		
Share capital	**266,952**	210,369
Reserves	**1,921,275**	1,578,480
Equity attributable to owners of the Company	**2,188,227**	1,788,849
Non-controlling interests	**223,516**	272,693
	2,411,743	2,061,542

Notes:

1. GENERAL

Symphony Holdings Limited was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is located on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong.

During the year, the Group obtained control of Jin Dragon Holdings Limited ("Jin Dragon") by acquiring its entire equity interest. The principal activity of Jin Dragon is provision of financial services including securities brokerage, margin financing, underwriting and placing, consulting and money lending.

During the year, the Group obtained control of Trillion Earning Limited ("Trillion Earning") by acquiring its entire equity interest. The principal activity of Trillion Earning is property investment.

The other principal activities of the Group remain to be property investment and holding, management and operation of outlet mall in the People's Republic of China ("PRC"), trademark rights licensing and trading and retailing.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2014

The Group has adopted the following amendments and interpretation for the first time for the current year's consolidated financial statements.

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

Except as explained below, the adoption of these amendments and interpretation has no material impact on the Group's consolidated financial statements.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has an impact on these financial statements as the Group has offsetting arrangements with Hong Kong Securities Clearing Company in the current year. As a result, the Group has included an additional disclosure in the consolidated financial statements.

HK (IFRIC) 21 – Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

The adoption of HK (IFRIC) 21 has no impact on these financial statements as the interpretation is consistent with the Group's previous application of its accounting policies on provisions.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
HKFRS 9 (2014)	Financial Instruments[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers[4]
Amendments to HKAS 1	Disclosure Initiative[3]

[1] *Effective for annual periods beginning on or after 1 July 2014*

[2] *Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014*

[3] *Effective for annual periods beginning on or after 1 January 2016*

[4] *Effective for annual periods beginning on or after 1 January 2017*

[5] *Effective for annual periods beginning on or after 1 January 2018*

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 "Property, Plant and Equipment" to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

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

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

4. SEGMENT INFORMATION

Information reported to the chief operating decision-maker, being the Managing Director of the Company, for the purpose of resources allocation and performance assessment focuses specifically on the assessment of operating performance in each operating unit, which is the basis upon which the Group is organised. Each operating unit is distinguished based on types of goods or services delivered or provided. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group. Financial information on segment results and segment assets are regularly provided to the chief operating decision maker while no information of segment liabilities is provided.

During the year, the Group obtained control of Jin Dragon by acquiring its entire equity interest. The principal activities of Jin Dragon are provision of financial services including securities brokerage, margin financing, underwriting and placing, consulting and money lending. The activities of Jin Dragon have become a new reportable and operating segment of the Group and are separately assessed by the chief operating decision-maker.

On the other hand, the Group disposed of its footwear manufacturing segment during the year ended 31 December 2013 which is presented as discontinued operations. The segment information reported below does not include any amounts for the discontinued operations, details of which are set out in Note 7(d) below.

The Group's reportable and operating segments under HKFRS 8 are as follows:

Continuing operations:

- Retailing and sourcing – retailing and provision of sourcing services for branded apparel, swimwear and accessories;
- Branding – development and management of "PONY" brand;
- Property investment and holding;
- Outlet malls; and
- Financial services.

(a) Segment Revenue and Results

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

For the year ended 31 December 2014

	Retailing and sourcing	Branding	Property investment and holding	Outlet malls *(Note)*	Financial services	Consolidated
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
REVENUE						
External sales	**153,161**	**42,748**	**15,567**	**30,419**	**21,936**	**263,831**
Inter-segment sales	**–**	**–**	**716**	**–**	**–**	**716**
	153,161	**42,748**	**16,283**	**30,419**	**21,936**	**264,547**
Segment (loss)/profit	**9,139**	**(5,406)**	**36,969**	**(58,970)**	**9,274**	**(8,994)**
Unallocated income						
– Interest income						**14,359**
– Gain on disposal of a joint venture						**17,300**
– Fair value gain on re-measurement of equity in a joint venture						**10,051**
– Fair value gain on trading securities						**345**
– Bargain purchase gain arising on business combination						**3,209**
– Others						**1,089**
Central administrative costs						**(66,411)**
Share of results of joint ventures						**(1,479)**
Loss before income tax credit						**(30,531)**

Note:

The revenue from outlet malls segment is analysed as follows:	
Gross revenue from concessionaire sales	**207,990**
Commission income from concessionaire sales	**30,419**

For the year ended 31 December 2013

	Retailing and sourcing	Branding	Property investment and holding	Outlet malls *(Note)*	Consolidated
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000* (Restated)	*HKD'000* (Restated)
REVENUE					
External sales	154,580	33,197	7,262	24,126	219,165
Segment (loss)/profit	(19,661)	(28,353)	4,300	(71,220)	(114,934)
Unallocated income					
– Interest income					3,866
– Gain on disposal of available-for-sale investments					45
– Gain on disposal of subsidiaries					7,351
– Gain on disposal of a joint venture					11,054
– Fair value gain on re-measurement of equity in a joint venture					5,159
– Bargain purchase gain arising on business combination					12,992
– Others					1,997
Central administrative costs					(81,457)
Share of results of joint ventures					(33,606)
Loss before income tax credit					(187,533)

Note:

The revenue from outlet malls segment is analysed as follows:	
Gross revenue from concessionaire sales	159,041
Commission income from concessionaire sales	24,126

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit/(loss) represents the profit earned or the loss incurred by each segment without allocation of central administrative costs, bank interest income, gain on disposal of available-for-sale investments, gain on disposal of subsidiaries, gain on disposal of a joint venture, fair value gain on trading securities, fair value gain on re-measurement of equity in a joint venture, bargain purchase gain arising on business combination and share of results of joint ventures. This is the measure reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment.

(b) Segment Assets

The following is an analysis of the Group's assets by reportable segment:

Segment assets

	2014 *HKD'000*	2013 *HKD'000*
Retailing and sourcing	**90,092**	65,746
Branding	**230,095**	235,904
Property investment and holding	**1,487,023**	896,267
Outlet malls	**673,451**	685,603
Financial services	**260,643**	–
Total segment assets	**2,741,304**	1,883,520
Unallocated	**747,112**	1,082,082
Consolidated assets	**3,488,416**	2,965,602

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable segments other than interests in joint ventures, available-for-sale investments, trading securities, deferred tax assets, tax recoverable, club debentures, amounts due from joint ventures, restricted bank deposit, pledged bank deposit and bank balances and cash.

(c) Other segment information

For the year ended 31 December 2014

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Consolidated *HKD'000*
Amounts included in the measure of segment profit/(loss) or segment assets:						
Capital expenditure *(Note)*	8,385	1,054	1,636	23,877	794	35,746
Depreciation of property, plant and equipment	3,392	337	4,910	27,383	168	36,190
Amortisation of prepaid lease payments	–	–	–	7,490	–	7,490
Increase in fair value of investment properties	–	–	27,973	–	–	27,973
Reversal of allowance for bad and doubtful debts	–	(111)	–	–	–	(111)
Provision of allowance for inventories, net	8,418	–	–	–	–	8,418
Interest income	–	–	–	–	7,958	7,958
Interest expense	–	–	5,575	–	24	5,599

For the year ended 31 December 2013

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Consolidated *HKD'000*
Amounts included in the measure of segment profit/(loss) or segment assets:					
Capital expenditure *(Note)*	3,369	377	243,404	43,629	290,779
Depreciation of property, plant and equipment	5,366	201	4,273	25,004	34,844
Amortisation of prepaid lease payments	–	–	–	7,215	7,215
Increase in fair value of investment properties	–	–	(4,500)	–	(4,500)
Provision/(reversal) of allowance for bad and doubtful debts	–	17,978	(850)	–	17,128
Provision/(reversal) of allowance for inventories, net	(14,354)	2,543	–	–	(11,811)
Interest expense	–	–	8,516	–	8,516

Note: Capital expenditure includes additions to property, plant and equipment and investment properties.

(d) Geographical Information

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

	Revenue from external customers		Non-current assets located *(Note (ii))*	
	2014	2013	**2014**	2013
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*
		(Restated)		
The People's Republic of China	**190,067**	179,303	**1,670,948**	1,144,793
Taiwan	**1,609**	–	**7,565**	–
Hong Kong	**29,406**	6,800	**479,300**	399,076
United States of America	**6,341**	6,076	**82,808**	82,778
South America	**3,331**	5,449	**–**	–
Other European countries *(Note (i))*	**452**	741	**–**	–
Other Asia countries *(Note (i))*	**27,380**	18,062	**–**	–
Others *(Note (i))*	**5,245**	2,734	**119,376**	119,375
	263,831	219,165	**2,359,997**	1,746,022

Notes:

(i) The geographical information for the revenue attributed to each country is not available and the cost to capture such information would be excessive.

(ii) Non-current assets exclude interests in joint ventures, available-for-sale investments, deferred tax assets, tax recoverable, club debentures and restricted bank deposit.

(e) Information about Major Customers

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

	2014	2013
	HKD'000	*HKD'000*
Customer A *(Note)*	**29,238**	N/A

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue for the year ended 31 December 2013.

Note: Revenue from retailing and sourcing segment

5. FINANCE COSTS

	2014	2013
	HKD'000	*HKD'000*
Interest on bank borrowings wholly repayable within five years	**5,599**	8,516

All bank borrowings for the years ended 31 December 2014 and 2013 contain a repayment on demand clause.

6. INCOME TAX CREDIT

The amount of income tax credit relating to continuing operations in the consolidated statement of comprehensive income represents:

	2014	2013
	HKD'000	*HKD'000*
Current tax		
Hong Kong		
– current year	**(898)**	–
– Over/(under) provision in prior years	**461**	(193)
Other jurisdictions		
– Enterprise income tax – current year	**(2,429)**	(2,232)
	(2,866)	(2,425)
Deferred tax		
– current year	**4,999**	4,504
Income tax credit	**2,133**	2,079

Hong Kong Tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both years.

From 2008 to 2011, the Inland Revenue Department ("IRD") issued protective profits tax assessments for additional profits tax to certain wholly-owned subsidiaries of the Company relating to the years of assessment of 2001/2002 to 2004/2005 i.e. for the four financial periods ended 31 December 2004.

The Group had lodged objections with the IRD against the protective profits tax assessments. The IRD agreed to hold over the additional tax claimed subject to the relevant subsidiaries' purchases of tax reserve certificates ("TRCs") amounted to approximately HKD23 million. These TRCs were purchased and included in tax recoverable as at 31 December 2014 and 2013. In July and August 2012, the Group purchased additional TRCs amounted to HKD10.2 million relating to the year of assessment of 2004/05 at the request of IRD.

In December 2011, the Deputy Commissioner of the IRD issued his written determinations. Among others, he is of the view that the wholly-owned subsidiaries referred to above are subject to Hong Kong profits tax and confirmed/revised the protective profits tax assessments for 2001/2002 to 2004/2005 in the amount of approximately HKD306 million in aggregate. In January 2012, the Group filed notices of appeal to the Board of Review objecting to the written determinations the IRD issued in December 2011.

In March 2012, the IRD also issued protective profits tax assessments for profits tax or additional profits tax for HKD90.5 million in aggregate in accordance with the written determinations referred to above to the wholly-owned subsidiaries concerned for the year of assessment 2005/2006. The Group had lodged objections with the IRD against these protective profits tax assessments. The IRD agreed to hold over the additional tax claimed subject to the Group purchasing TRCs amounting to HKD12 million which the Group did in July 2012.

The protective assessments issued by IRD according to his determination for additional profits tax in aggregate of approximately HKD396.5 million mentioned above for the years of assessment from 2001/2002 to 2005/2006 were issued on three alternative bases on the same set of profits for each year of assessment.

In March 2011, the Group filed an application to the Court for a judicial review contending, inter alia, whether the IRD has the power to issue multiple assessments against different group companies for the same set of profits for the years of assessment of 2001/2002 to 2004/2005.

The judicial review proceedings were heard on the 1st and 2nd February of 2012. The judgment in respect of the judicial review was handed down in May 2012. Among others, the Group's application for relief to quash each of the assessments issued by the IRD and the conditional holdovers were not granted. The Court of First Instance held that the IRD can issue multiple assessments in respect of the same set of profits to different taxpayers on alternative bases, so long as there is no double recovery of tax.

In October 2012, the IRD also issued protective profits tax assessments for profits tax or additional profits tax for HKD124.5 million in aggregate to the wholly owned subsidiaries relating to the year of assessment from 2006/07 to 2009/10 on three alternative bases on same set of profits for each year of assessment. The Group had lodged objections against the IRD regarding these protective profits tax assessments. The IRD agreed to hold over the additional tax claimed subject to the Group's purchasing tax reserve certificate amounting to HKD6.9 million which was done by the Group in January 2013.

Based on the mode of operations and activities of the subsidiaries and the merit of the Group's position as assessed by its tax advisor, the Directors are of the opinion that the group companies concerned are not subject to Hong Kong profits tax.

The Group's appeal to the Board of Review is scheduled to be heard in September 2015. The eventual outcome of this action which is being handled by the Group's tax counsel and tax advisor, and the financial impact thereof on the Group, if any, cannot be readily ascertained at this stage.

PRC Tax

All group companies operating in the PRC are subject to the applicable tax rate of 25% during the years ended 31 December 2014 and 2013, except for a newly acquired subsidiary incorporated in Hong Kong and engaged in property investment in the PRC, which is subject to the applicable tax rate of 10% on its gross rental income earned in the PRC, based on the existing legislation, interpretation and practices in respect thereof.

Up to the date of these financial statements, the above newly acquired subsidiary has not filed tax returns for corporate income tax in the PRC in respect of its income derived from the PRC. Accordingly, the PRC tax authority has the right to levy penalty for late filing of tax returns. The amount of such potential penalty cannot be reliably estimated as the range of which is wide and therefore no provision was made in these financial statements. Based on the experience of the Group's management, the amount of such penalty, if any, will not be material to the Group's consolidated financial statements. In addition, pursuant to the agreement in respect of acquisition of that subsidiary, the vendor has undertaken to indemnify the Group for any liability arising from the above late filing of tax returns prior to the completion date of the acquisition.

Others

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. LOSS FOR THE YEAR

(a) Other income and gains (from continuing operations)

	2014	2013
	HKD'000	*HKD'000*
		(Restated)
Gain on disposal of a joint venture	**17,300**	11,054
Gain on disposal of an investment property	**–**	180
Gain on disposal of subsidiaries	**–**	7,351
Bargain purchase gain arising on business combination	**3,209**	12,992
Fair value gain on re-measurement of equity in a joint venture	**10,051**	5,159
Gain on disposal of available-for-sale investments	**–**	45
Interest income	**14,359**	3,866
Realised gain on forward exchange contract	**–**	1,333
Reversal of fair value gain on a finance guarantee	**–**	2,300
Reversal of allowance for bad and doubtful debts	**111**	–
Fair value gain on trading securities	**345**	–
Others	**28,954**	9,797
	74,329	54,077

(b) Other expenses (from continuing operations)

	2014	2013
	HKD'000	*HKD'000*
Bad debts written off	**–**	3,634
Loss on disposal of property, plant and equipment	**25**	2,140
Write off of property, plant and equipment	**3,024**	–
Provision of allowance for bad and doubtful debts, net		
– Trade receivables	**–**	13,051
– Other receivables	**–**	4,077
Impairment loss on loans receivable	**–**	3,102
Translation reserve released on disposal of joint ventures	**1,430**	–
Others	**3,050**	1,264
	7,529	27,268

(c) Loss for the year from continuing operations has been arrived at after charging:

	2014	2013
	HKD'000	*HKD'000*
Directors' emoluments	**8,664**	10,350
Other staff costs	**61,737**	72,370
Retirement benefits schemes contributions, excluding Directors	**5,319**	11,135
	75,720	93,855
Auditor's remuneration	**1,630**	1,580
Amortisation of prepaid lease payments	**7,490**	7,215
Cost of inventories recognised as expense	**106,670**	126,531
Depreciation of property, plant and equipment	**36,190**	34,844
Exchange losses, net	**6,547**	704
Write off of property, plant and equipment	**3,024**	540
Allowance for inventories, net	**8,418**	–
and after crediting:		
Reversal of allowance for inventories, net *(Note)*	**–**	11,811
Gross rental income from investment properties	**15,567**	7,262
Less: direct operating expenses from investment properties that generate rental income	**(672)**	(611)
	14,895	6,651
Interest income from:		
Bank deposits	**14,359**	3,394
Loans receivable and advances to customers in margin financing	**7,958**	–
Loans to a joint venture	**–**	472

Note:

The reversal of allowance for inventories arising from an increase in net realisable value was caused by the increase in estimated scrap value.

(d) Discontinued operations

On 28 June 2013, the Group entered into a conditional sale and purchase agreement (the "Disposal Agreement") with a related party (the "Purchaser"), pursuant to which the Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to purchase, the entire issued share capital of Yi Ming Investments Limited ("Yi Ming"), an indirect wholly-owned subsidiary of the Company, and the shareholder's loan due by Yi Ming and its subsidiaries (together the "Disposal Group") for an aggregate consideration of approximately HKD429,199,000 (collectively referred to as the "Disposal"), subject to adjustments. The Disposal Group is principally engaged in footwear manufacturing and was one of the major components of the Group. The Disposal was completed on 31 August 2013. Details of the Disposal are disclosed in the circular of the Company dated 12 August 2013.

The revenue, results, cash flows and net assets of the discontinued operations were as follows:

	2014	2013
	HKD'000	*HKD'000*
Revenue	**–**	1,345,710
Cost of sales	**–**	(1,177,407)
Gross profit	**–**	168,303
Other income	**–**	17,937
Distribution and selling expenses	**–**	(26,894)
Administrative expense	**–**	(74,595)
Finance costs	**–**	(1,435)
Other expenses	**–**	(18,473)
Profit before income tax expense	**–**	64,843
Income tax expense	**–**	(4,063)
	–	60,780
Adjustments on provisions for retirement and termination benefits and other payables	**28,604**	–
Gain on disposal of subsidiaries *(Note 14(a))*	**–**	116,090
Profit for the year from discontinued operations	**28,604**	176,870
Net cash used in operating activities	**–**	(57,634)
Net cash used in investing activities	**–**	(59,987)
Net cash used in financing activities	**–**	(48,405)
Net cash flow incurred by the discontinued operations	**–**	(166,026)

The carrying amounts of the assets and liabilities of the discontinued operations at the date of disposal are disclosed in Note 14(a).

8. DIVIDENDS

	2014	2013
	HKD'000	*HKD'000*
2014 final dividend of Nil (2013: 2012 final dividend of Nil) per ordinary share paid	**–**	–

No interim dividend was declared or paid during the years ended 31 December 2014 and 2013. For the years ended 31 December 2014 and 2013, the Board of Directors did not recommend the payment of a final dividend.

9. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

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

Basic earnings per share

	2014	2013
	HKD'000	*HKD'000*
Profit for the year attributable to the owners of the Company	**19,095**	15,454

	2014	2013
	Number of shares	Number of shares
	('000)	*('000)*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,367,178**	1,475,612
Basic and diluted earnings per share *(HK cents)*	**0.81**	1.05

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Profit/(loss) figures are calculated as follows:

	2014	2013
	HKD'000	*HKD'000*
Profit for the year attributable to the owners of the Company	**19,095**	15,454
Less:		
Profit for the year from discontinued operations	**28,604**	176,870
Loss for the purposes of basic and diluted loss per share from continuing operations	**(9,509)**	(161,416)

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share.

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is 1.21 HK cents per share (2013: 11.99 HK cents per share), based on the profit for the year from the discontinued operations of HKD28,604,000 (2013: HKD176,870,000) and the denominators detailed above for both basic and diluted earnings/(loss) per share.

The amounts of diluted earnings/(loss) per share are the same as basic earnings/(loss) per share for the year ended 31 December 2014 and 2013 because the dilutive potential ordinary shares outstanding during the year had an anti-dilution effect on the loss from continuing operations attributable to the owners of the Company.

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	HKD'000	*HKD'000*
Trade receivables		
– Other than financial services segment	**54,310**	51,197
– Financial services segment	**7,054**	–
Total trade receivables	**61,364**	51,197
Less: allowance for doubtful debts	**(13,790)**	(13,901)
	47,574	37,296
Other receivables, deposits and prepayments	**69,005**	67,461
Total trade and other receivables	**116,579**	104,757

Trade receivables from segments other than financial services segment

The Group allows an average credit period ranging from 60 to 90 days to its trade customers. Included in trade and other receivables are trade and bills receivables, net of allowance for doubtful debts, of approximately HKD47,574,000 (2013: HKD37,296,000). Before accepting any new customer, the Group assesses the potential customer's credit quality and grants a credit limit to the customer. Limits and score attributed to customers are reviewed twice a year. Approximately 55% (2013: 47%) of the trade receivables that are neither past due nor impaired have no default payment history. The Group does not hold any collateral over these balances.

Trade receivables from financial services segment

	2014	2013
	HKD'000	*HKD'000*
Trade receivables arising from ordinary course of business of dealing in securities:		
Cash clients	**4,212**	–
Trade receivables arising from ordinary course of business of provision of:		
Money lending	**2,756**	–
Insurance brokerage	**86**	–
	7,054	–

Save for the credit period allowed by the Group, the trade receivables shall be due on the settlement dates of the respective securities contract transaction. In view of the fact that such receivables relate to a number of diversified customers, there is no significant concentration of credit risk. Although the Group does not hold any collateral or other credit enhancements over such receivable balances, the Group is allowed to dispose of the securities deposited by the customers with the Group to settle any overdue amounts. Overdue receivables from cash clients of approximately HKD3,235,000 as at 31 December 2014 bear interest at interest rates with reference to the Hong Kong dollar prime rate ("Prime Rate") plus 6%.

The following is an aged analysis of the Group's trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2014	2013
	HKD'000	*HKD'000*
0 to 30 days	**19,476**	9,802
31 to 60 days	**1,469**	6,000
61 to 90 days	**5,410**	1,594
Over 90 days	**21,219**	19,900
	47,574	37,296

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of trade receivables which are past due but not impaired

	2014	2013
	HKD'000	*HKD'000*
Over 90 days	**21,219**	19,900

Movement in the allowance for doubtful debts – trade receivables

	2014	2013
	HKD'000	*HKD'000*
Balance at beginning of the year	**13,901**	6,730
Disposal of subsidiaries	**–**	(5,880)
Impairment losses recognised on receivables	**–**	13,901
Impairment losses reversed	**(111)**	(850)
Balance at end of the year	**13,790**	13,901

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of approximately HKD13,790,000 (2013: HKD13,901,000) with a carrying amount before provision of approximately HKD27,942,000 (2013: HKD33,801,000). The individually impaired receivables related to customers that were slow in settlements and management assessed that only a portion or none of the receivables is expected to be recovered.

Movement in the allowance for doubtful debts – other receivables

	2014	2013
	HKD'000	*HKD'000*
Balance at beginning of the year	**4,077**	–
Impairment losses recognised on receivables	**–**	4,077
Balance at end of the year	**4,077**	4,077

Included in the above provision for impairment of other receivables is a provision for individually impaired other receivables of approximately HKD4,077,000 (2013: HKD4,077,000) with a carrying amount before provision of approximately HKD4,077,000 (2013: HKD4,077,000). The individually impaired receivables related to debtors that were slow in settlements and management assessed that only a portion or none of the receivables is expected to be recovered.

11. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2014	2013
	HKD'000	*HKD'000*
Directors	**14,266**	–
Other margin clients	**36,078**	–
Balance at end of the year	**50,344**	–

Advances to customers in margin financing are repayable on demand and carry interest ranging from Prime Rate to Prime Rate plus 3% per annum. Margin clients are required to pledge securities collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of securities accepted by the Group. At 31 December 2014, the total market value of securities pledged as collateral in respect of the loan to margin clients was approximately HKD579,904,000 (2013: Nil). The Group is allowed to dispose of the collateral in settlement of the customers' obligation to maintain the agreed level of margin and any other liability of the customers due to the Group.

No aging analysis is disclosed for advances to customers in margin financing as, in the opinion of the Directors, an aging analysis is not meaningful in view of the business nature of margin financing.

12. LOANS RECEIVABLE

	Notes	**2014** **HKD'000**	2013 *HKD'000*
Secured	*i*	**104,506**	–
Unsecured	*ii*	**38,500**	–
		143,006	–

Notes

i. The loans receivable of HK$104,506,000 are secured by charges over the borrowers' properties and/or financial assets, bear interest at 12%-18% per annum and are repayable by one month to one year from the dates of advance.

ii. The balance is unsecured, bears interest at 12% per annum and is repayable by one year from the date of advance.

For loans receivable, the customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends.

The Directors consider that the fair values of loans receivable which are expected to be recovered within one year are not materially different from their carrying amounts because the balances have short maturity periods at inception.

13. TRADE AND OTHER PAYABLES

	2014 **HKD'000**	2013 *HKD'000*
Trade and bills payables	**23,932**	34,047
Accounts payable from financial services segment	**25,291**	–
Other payables, temporary receipts and accruals	**246,465**	253,815
Total trade and other payables	**295,688**	287,862

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2014	2013
	HKD'000	*HKD'000*
0 to 30 days	**21,080**	17,770
31 to 60 days	**1,891**	11,891
61 to 90 days	**134**	2,191
Over 90 days	**827**	2,195
	23,932	34,047

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Accounts payable from financial services segment

	2014	2013
	HKD'000	*HKD'000*
Accounts payable arising from ordinary course of business of dealing in securities:		
Cash clients	**9,996**	–
Margin clients	**14,629**	–
Clearing house	**556**	–
	25,181	–
Accounts payable arising from ordinary course of business of provision of:		
Insurance brokerage	**110**	–
	25,291	–

The settlement term of accounts payable attributable to dealing in securities are two trading days after the trade date.

No aging analysis is disclosed for payables to margin clients as, in the opinion of the Directors, an aging analysis is not meaningful in view of the business nature of securities dealing and margin financing.

As at 31 December 2014, included in accounts payable was an amount of approximately HKD25,181,000 (2013: Nil) payable to clients and other institutions in respect of trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities.

14. DISPOSAL OF SUBSIDIARIES

(a) As referred to in Note 7(d), on 31 August 2013, the Group disposed of its subsidiaries Yi Ming which is principally engaged in footwear manufacturing and one of the major components of the Group. The net assets of Yi Ming at the date of disposal were as follows:

	HKD'000
Net assets disposed of:	
Property, plant and equipment	78,377
Available-for-sale investments	2
Deferred tax assets	130
Inventories	213,892
Trade and other receivables	413,113
Pledged bank deposits	125,878
Bank balances and cash	13,268
Trade and other payables	(296,769)
Shareholders' loan	(216,092)
Bank borrowings	(118,574)
Tax payable	(19,128)
Deferred tax liabilities	(3,454)
Non-controlling interests	(4,636)
	186,007

	HKD'000
Consideration	436,045
Less: Repayment of shareholders' loan	(216,092)
Net assets disposed of	(186,007)
Release of translation reserve	82,144
Gain on disposal	116,090

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary was as follows:

	HKD'000
Cash consideration	436,045
Consideration receivables	(6,846)
Bank balances and cash disposed of	(13,268)
Repayment to a non-controlling interest	(2,796)
	413,135

(b) During the year ended 31 December 2013, the Group also disposed of some other subsidiaries. The net assets of these subsidiaries at the date of disposal were as follow:

	HKD'000
Net assets disposed of:	
Property, plant and equipment	422
Investment properties	21,541
Intangible assets	38,758
Club debentures	1,553
Inventories	1,258
Trade and other receivables	7,757
Amount due from a related company	2,893
Bank balances and cash	6,138
Trade and other payables	(6,686)
Amount due to a related company	(25,212)
Shareholders' loan	(19,658)
Deferred tax liabilities	(5,359)
	23,405

	HKD'000
Consideration	48,549
Less: Repayment of shareholders' loan	(19,658)
Net assets disposed of	(23,405)
Release of translation reserve	1,865
Gain on disposal of subsidiaries	7,351

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of these subsidiaries was as follows:

	HKD'000
Cash consideration	48,549
Consideration receivables	(21,415)
Bank balances and cash disposed of	(6,138)
	20,996

15. ACQUISITION OF SUBSIDIARIES

(a) On 30 April 2014, the Group completed an acquisition of 100% equity interests in Jin Dragon Holdings Limited ("Jin Dragon"), for a cash consideration of approximately HKD20,877,000 and consideration share of 261,000,000 shares of the Company. The total consideration of approximately HKD167,037,000 includes the consideration for the purchase of the shareholder's loan owed by Jin Dragon to the vendor of approximately HKD103,000,000. The acquisition was made as the Directors believe the growth prospects for financial services business are bright and can widen the Group's revenue base. The goodwill arising from the acquisition of Jin Dragon is mainly attributable to the financial services expertise and skills of employees of Jin Dragon that will bring to the Group.

	HKD'000
Fair value of assets and liabilities acquired:	
Property, plant and equipment	216
Intangible assets	599
Deferred tax assets	18
Statutory deposits for financial business	200
Trade and other receivables	14,904
Advances to customers in margin financing	21,254
Loans receivable	70,000
Bank balances and cash – held on behalf of customers	13,541
Bank balances and cash	26,504
Trade and other payables	(14,249)
Tax payables	(1,540)
	131,447
Goodwill	35,590
	167,037

	HKD'000
Total consideration satisfied by:	
Cash consideration	20,877
Fair value of consideration shares	146,160
	167,037
Net cash inflow arising on acquisition:	
Cash consideration	(20,877)
Bank balances and cash acquired	26,504
	5,627

The fair value of the 261,000,000 consideration shares issued as part of the consideration paid for the vendor was determined on the basis of the closing market price of the Group's ordinary shares on the acquisition date.

The fair value of loans receivable, advances to customers in margin financing and trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

Loss for the year from continuing operations includes a profit of approximately HKD9,197,000 attributable to the business of Jin Dragon and its subsidiaries which generated total revenue of approximately HKD21,936,000 for the period since its acquisition.

Had the acquisition been completed on 1 January 2014 the Group's revenues and loss for the year from continuing operations would have been approximately HKD280,175,000 and approximately HKD4,887,000, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is it intended to be a projection of future results.

(b) On 28 February 2014, the Group completed an acquisition of the remaining 50% equity interests in a joint venture, JFT Holdings, for a cash consideration of HKD25,000,000. The Directors considered this acquisition as an acquisition of assets and liabilities because JFT Holdings did not constitute a business at the acquisition date.

Upon completion of the acquisition, the Group's 50% interest in joint venture already held was treated as being disposed of at fair value amounting to HKD25,000,000 on the date of acquisition. As a result, a fair value gain on remeasurement of equity in a joint venture of approximately HKD10,051,000 has been recognised and is included in other income in the consolidated statement of comprehensive income.

(c) On 15 September 2014, the Group completed an acquisition of the entire equity interest in Trillion Earning Limited ("Trillion Earning"), for considerations satisfied as to approximately HKD95,938,000 by cash, as to approximately HKD233,851,000 by the allotment and issue of 260,260,000 new shares by the Company and as to approximately HKD159,663,000 by the transfer by the Group of the 42% equity interest in Giant Eagle Enterprises Limited ("Giant Eagle") and the 42% of all amounts owed by Giant Eagle and its subsidiaries ("Giant Eagle Loans"). The Directors considered this acquisition as an acquisition of assets and liabilities because Trillion Earning did not constitute a business at the acquisition date.

Furthermore, the vendor has given a guarantee to the Group that for each of the three calendar years from the date of completion, the rental revenue less all taxes and all agency fees ("Net Revenue") as shown in the audited or the latest management accounts of Worldwide Properties Limited ("Worldwide Properties"), a wholly-owned subsidiary of Trillion Earning, shall not be less than HKD25,000,000. If the Net Revenue falls short of HKD25,000,000 in any of these three calendar years, the vendor shall on demand pay to the Group the full amount of the shortfall in cash. If the Net Revenue exceeds HKD25,000,000, a sum equal to certain percentage of the excess over HKD25,000,000 shall be paid by the Group to the vendor after the issue of the audited or the latest management accounts of Worldwide Properties.

Based on the Directors' best estimation by considering the probability-weighted average of payouts associated with each possible outcome in respect of the above revenue guarantee, the fair value of the revenue guarantee is not material as at both the completion date and 31 December 2014. Accordingly, such revenue guarantee was not recognised in the consolidated financial statements.

(d) On 30 September 2014, the Group completed an acquisition of the entire equity interest in 金寶來大飯店股份有限公司 ("Golden Palais"), for a cash consideration of NTD117,133,000, equivalent to approximately HKD29,885,000. The acquisition was made as the Directors believe the growth prospects for duty free business in Taiwan are bright and can widen the Group's revenue base.

	HKD'000
Fair value of assets and liabilities acquired:	
Property, plant and equipment	3,088
Inventory	8,014
Trade and other receivables	616
Restricted bank deposit	1,531
Bank balances and cash	27,190
Trade and other payables	(2,243)
Withholding tax payables	(5,102)
	33,094
Bargain purchase gain arising on acquisition	(3,209)
Cash consideration	29,885
Net cash outflow arising on acquisition:	
Cash consideration	29,885
Bank balances and cash acquired	(27,190)
	2,695

Gain on bargain purchase of approximately HKD3,209,000 was recognised as other income and gains in the statement of comprehensive income upon completion of the acquisition of Golden Palais, which is mainly attributable to the discount upon negotiation with the vendor.

The fair value of trade and other receivables, equivalent to its gross contractual amount as shown above, is considered as fully recoverable.

Loss for the year from continuing operations includes a loss of approximately HKD1,356,000 attributable to the business of Golden Palais and its subsidiaries which generated total revenue of approximately HKD1,609,000 for the period since its acquisition.

Had the acquisition been completed on 1 January 2014 the Group's revenues and loss for the year from continuing operations would have been HKD270,938,000 and HKD13,766,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is it intended to be a projection of future results.

(e) On 4 June 2013, the Group completed an acquisition of the remaining 50% equity interests in China Ocean it did not own for a consideration of approximately HKD11,801,000. The total cash consideration of USD15,500,000 (approximately HKD120,150,000) includes the consideration for the purchase of the shareholder's loan owed by China Ocean to the vendor of approximately HKD108,349,000. The acquisition was made as the Directors believe the growth prospects for trademark rights licensing business are bright and can widen the Group's revenue base.

Upon completion of the acquisition, the Group's 50% interest in joint venture already held was treated as being disposed of and immediately reacquired at fair value on the date of obtaining control. As a result, a fair value gain on re-measurement of equity in a joint venture of approximately HKD5,159,000 has been recognised and is included in other income in the consolidated statement of comprehensive income.

	HKD'000
Fair value of assets and liabilities acquired:	
Property, plant and equipment	1,006
Intangible assets	248,841
Loans receivable	3,106
Inventories	5,173
Trade and other receivables	38,940
Amounts due from related companies	5,062
Bank balances and cash	3,067
Trade and other payables	(40,053)
Amounts due to holding companies	(201,367)
Amounts due to related companies	(6,896)
Deferred tax liabilities	(20,285)
	36,594

	HKD'000
Bargain purchase gain arising on acquisition:	
Cash consideration for additional 50% equity interest	11,801
Add: fair value of the 50% equity interest already held	11,801
Total consideration	23,602
Less: net assets acquired	(36,594)
	(12,992)
Net cash outflow arising on acquisition:	
Cash consideration	120,150
Bank balances and cash acquired	(3,067)
	117,083

Gain on bargain purchase of approximately HKD12,992,000 was recognised upon completion of the acquisition of China Ocean. The gain on a bargain purchase on acquisition was mainly attributable to increase in fair value of intangible assets acquired. The gain on bargain purchase was included in other income in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the 50% equity interest in China Ocean, an unlisted company, already held by the Group was estimated by reference to the purchase price paid for acquisition of its additional 50% equity interest by the Group.

Loss from continuing operations for the year ended 31 December 2013 includes a loss of approximately HKD28,987,000 attributable to the business of China Ocean and its subsidiaries which generated total revenue of approximately HKD33,197,000 for the year ended 31 December 2013 since its acquisition.

Had the acquisition been completed on 1 January 2013, the Group's revenue from continuing operations for the year ended 31 December 2013 would have been HKD238,201,000 and loss for the year from continuing operations would have been HKD187,493,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved for the year ended 31 December 2013 had the acquisition been completed on 1 January 2013, nor is it intended to be a projection of future results.

The fair value of loan receivables and trade and other receivables at the date of acquisition, equivalent to its gross contractual amount as shown above, was considered as fully recoverable.

16. COMPARATIVE FIGURES

In order to provide reliable and more relevant information about the financial performance of the outlet mall, the Directors consider it more appropriate to reclassify the management income from outlet mall amounting to HKD7,059,000, which arises in the course of the ordinary activities of the segment, from other income and gains to revenue in the consolidated statement of comprehensive income for the year ended 31 December 2013, to conform to current year's presentation.

PROPOSED FINAL DIVIDEND

The Board does not recommend payment of a final dividend (2013: Nil) to shareholders.

CLOSURE OF REGISTER OF MEMBERS

Register of Members will be closed from Wednesday, 10 June 2015 to Friday, 12 June 2015 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for entitlement to vote at the 2014 Annual General Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited on the Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong ("Share Registrar") for registration no later than 4:30 p.m. on Tuesday, 9 June 2015.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") ("CG Code") throughout the year ended 31 December 2014, only with deviation from code provision A.4.1 and A.6.7 of the CG Code.

Under code provision A.4.1, non-executive directors ("Non-executive Directors") should be appointed for a specific term and are subject to re-election. Directors (including Non-executive Directors) were not appointed for specific term but are subject to retirement by rotation and re-election at annual general meeting in accordance with Bye-law 87 of the Bye-laws of the Company.

Under the code provision A.6.7, independent Non-executive and other Non-executive Directors should attend general meetings. On 11 June 2014, all independent Non-executive Directors attended the annual general meeting, except the Non-executive Director who retired from the Board on the same date.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, each of them confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2014.

On 20 August 2014, Mr. Liu George Hong-chih was appointed as Non-executive Director of the Company and on 15 December 2014, Mr. Cheng Tun Nei ("Mr. Cheng") and Mr. Chow Yu Chun Alexander were appointed as Executive Director and independent Non-executive Director of the Company respectively. Mr. Cheng was further elected as the Chairman of the Board on 23 December 2014. The spectrum of the Board was thus further enhanced by the addition of a mixture of professional skills and experience, capable of meeting the new challenges posed by the business sectors of the Company.

Audit Committee

The audit committee of the Company ("Audit Committee") comprises a Non-executive Director and 3 independent Non-executive Directors of the Company. The Audit Committee has reviewed with the management of the Company and the external auditor, BDO Limited, the accounting principles and practices adopted by the Group and also discussed auditing, internal controls and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2014 of the Group.

Remuneration Committee

The remuneration committee of the Company ("Remuneration Committee") comprises independent Non-executive Directors and advises the Board on the emolument policies of Directors and senior management.

Nomination Committee

The nomination committee of the Company ("Nomination Committee") comprises independent Non-executive Directors and offers guidance to the Board on the appointment or re-appointment of Directors, succession planning, in particular, the Chairman and the Chief Executive.

Terms of reference

The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, explaining their roles and the authorities delegated to them by the Board, are available on request and included on the website of the Company.

Board of Directors

At an annual general meeting of the Company held on Wednesday, 11 June 2014, Messrs. Chan Ting Chuen, Cheng Kar Shing, Chang Tsung Yuan and Li I Nan retired. Mr. Chan Ting Chuen and Mr. Cheng Kar Shing were re-elected as Directors.

As from 11th June 2014 and up to the date of this announcement, the Board comprises:

Executive Director

Mr. Cheng Tun Nei *(Chairman)*
(appointed on 15 December 2014 and elected as the Chairman on 23 December 2014)
Mr. Sze Sun Sun Tony *(Managing Director)*
(retired as the Deputy Chairman on 23 December 2014)
Mr. Chan Ting Chuen
(retired on 28 February 2015)
Mr. Chang Tsung Yuan *(Deputy Chairman)*
(retired on 11 June 2014)
Ms. Chen Fang Mei
Mr. Chan Kar Lee Gary

Non-executive Director

Mr. Li I Nan (retired on 11 June 2014)
Mr. Liu George Hong-chih
(appointed on 20 August 2014)

Independent Non-executive Director

Mr. Cheng Kar Shing
(resigned on 15 December 2014)
Mr. Ho Shing Chak
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander
(appointed on 15 December 2014)

GENERAL INFORMATION

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. BDO Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2014 Annual General Meeting will be held at the Boardroom on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong on Friday, 12 June 2015 at 9:30 a.m. and the notice of annual general meeting will be published and dispatched to Shareholders in a manner as required by the Listing Rules of the Stock Exchange of Hong Kong Limited.

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

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

PUBLICATIONS OF DETAILED RESULTS

The Annual Report containing the audited consolidated financial statements and notes to the financial statements for the year ended 31 December 2014 ("2014 Annual Report") will be published on both the websites of the Company (www.symphonyholdings.com) and the Exchange (www.hkex.com.hk). Shareholders shall receive copies of the 2014 Annual Report before the end of April 2015.

By order of the Board
Symphony Holdings Limited
Cheng Tun Nei
Chairman

Hong Kong, 18 March 2015

As at the date of this announcement, the Directors are:

Executive Directors:	Mr. Cheng Tun Nei *(Chairman)* Mr. Sze Sun Sun Tony *(Managing Director)* Ms. Chen Fang Mei Mr. Chan Kar Lee Gary
Non-executive Director:	Mr. Liu George Hong-chih
Independent non-executive Directors:	Mr. Ho Shing Chak Mr. Shum Pui Kay Mr. Wah Wang Kei Jackie Mr. Chow Yu Chun Alexander