

PCCW-HKT TELEPHONE LIMITED
(Incorporated in Hong Kong with limited liability)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2014



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF PCCW-HKT TELEPHONE LIMITED**
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of PCCW-HKT Telephone Limited (the "Company") set out on pages 3 to 16, which comprise the statement of financial position as at December 31, 2014, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of 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 for such internal control as the directors determine is necessary to enable the preparation of 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 financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF PCCW-HKT TELEPHONE LIMITED
(CONTINUED)**
(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at December 31, 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.


PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, April 24, 2015

PCCW-HKT TELEPHONE LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	2013 HK\$ million	2014 HK\$ million
General and administrative expenses		-	-
		<u>-</u>	<u>-</u>
Loss before income tax		-	-
Income tax	5	(148)	-
		<u>(148)</u>	<u>-</u>
Loss for the year		<u>(148)</u>	<u>-</u>

The notes on pages 8 to 16 form part of these financial statements.

PCCW-HKT TELEPHONE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 HK\$ million	2014 HK\$ million
Loss for the year	(148)	-
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(148)</u>	<u>-</u>

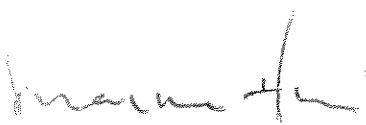
The notes on pages 8 to 16 form part of these financial statements.

PCCW-HKT TELEPHONE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	Note	2013 HK\$ million	2014 HK\$ million
ASSETS			
Current assets			
Amounts due from holding companies and fellow subsidiaries	4(b)	2,178	2,455
Tax recoverable		277	-
		<u>2,455</u>	<u>2,455</u>
Net current assets		<u>2,455</u>	<u>2,455</u>
Net assets		<u>2,455</u>	<u>2,455</u>
CAPITAL AND RESERVES			
Share capital	6	2,164	2,561
Reserves		291	(106)
Total equity		<u>2,455</u>	<u>2,455</u>

Approved and authorized for issue by the board of directors (the "Board") on April 24, 2015 and signed on behalf of the Board by:

 Director x SH	 Director x Patrick
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The notes on pages 8 to 16 form part of these financial statements.

PCCW-HKT TELEPHONE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Share capital HK\$ million	Share premium HK\$ million	Other reserves HK\$ million	Accumulated losses HK\$ million	Total HK\$ million
At January 1, 2013		2,164	397	42	-	2,603
Total comprehensive loss for the year						
Loss for the year		-	-	-	(148)	(148)
Total other comprehensive income		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>(148)</u>	<u>(148)</u>
		-----	-----	-----	-----	-----
Total contributions by and distributions to equity holders recognized in equity		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At December 31, 2013		<u>2,164</u>	<u>397</u>	<u>42</u>	<u>(148)</u>	<u>2,455</u>
At January 1, 2014		2,164	397	42	(148)	2,455
Total comprehensive loss for the year						
Loss for the year		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		-----	-----	-----	-----	-----
Transactions with equity holders						
Transfer to share capital upon transition to no-par value regime on March 3, 2014	6	397	(397)	-	-	-
		<u>397</u>	<u>(397)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions by and distributions to equity holders recognized in equity		397	(397)	-	-	-
		<u>397</u>	<u>(397)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At December 31, 2014		<u>2,561</u>	<u>-</u>	<u>42</u>	<u>(148)</u>	<u>2,455</u>

The notes on pages 8 to 16 form part of these financial statements.

PCCW-HKT TELEPHONE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 HK\$ million	2014 HK\$ million
Operating activities		
Loss before income tax	-	-
Increase in amounts due from holding companies and fellow subsidiaries	-	(277)
Cash used in operations	-	(277)
Income tax paid, net of tax refund	-	277
Net cash used in operating activities	-	-
Investing activities		
Net cash generated from investing activities	-	-
Financing activities		
Net cash generated from financing activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning of year	-	-
End of year	-	-

The notes on pages 8 to 16 form part of these financial statements.

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 General information

PCCW-HKT Telephone Limited (the “Company”) is a limited liability company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”). The address of its registered office is 41st Floor, PCCW Tower, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

The Company had no trading activities during the year.

The Company is a direct wholly-owned subsidiary of PCCW-HKT CAS Limited, which is a limited liability company incorporated in Hong Kong. The directors consider PCCW Limited, a limited liability company incorporated in Hong Kong with its shares listed on The Stock Exchange of Hong Kong Limited, to be the ultimate holding company of the Company.

These financial statements are presented in millions of units of Hong Kong dollars (HK\$ million), which is the presentation and functional currency of the Company, unless otherwise stated.

These financial statements have been approved for issue by the Board on April 24, 2015.

2 Basis of preparation and principal accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which are a collective term for all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. A summary of the principal accounting policies adopted by the Company is set out below.

(b) Basis of preparation of the financial statements

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. There were no new and revised HKFRSs relevant to the Company’s operations for adoption in the current and prior accounting periods.

The Company has not adopted any new or revised standard or interpretation that is not yet effective for the current accounting period, details of which are set out in note 10.

In addition, the new Hong Kong Companies Ordinance (Cap. 622) abolished the concepts of “par value” or “nominal value” of shares and “authorized share capital” for all Hong Kong incorporated companies with effect from March 3, 2014 and this change is reflected in note 6.

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation and principal accounting policies (Continued)

(b) Basis of preparation of the financial statements (Continued)

The measurement basis used in the preparation of the financial statements is historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

(c) Impairment of assets

Receivables from holding companies and fellow subsidiaries are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Company about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization.

If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. Impairment losses are written off against the corresponding assets directly.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

(d) Provisions and contingent liabilities

Provisions are recognized when (i) the Company has a present legal or constructive obligation arising as a result of a past event; (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. The increase in provision due to the passage of time is recognized as interest expense.

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

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation and principal accounting policies (Continued)

(e) Financial guarantees issued

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of fellow subsidiaries to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognized in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognized. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortization of fees recognized in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the management's judgement. The fee income earned is recognized on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the income statement within other operating expenses.

Where guarantees in relation to loans or other payables of fellow subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment in the financial statements of the Company.

(f) Income tax

- (i) Income tax for the year comprises current income tax and movements in deferred income tax assets and liabilities. Current income tax and movements in deferred income tax assets and liabilities are recognized in the income statement except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts are recognized in other comprehensive income or directly in equity, respectively.
- (ii) Current income tax is the expected income tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.
- (iii) Deferred income tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases. Deferred income tax assets also arise from unused tax losses and unused tax credits.

All deferred income tax liabilities, and all deferred income tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. Future taxable profits that may support the recognition of deferred income tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred income tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred income tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation and principal accounting policies (Continued)

(f) Income tax (Continued)

(iii) (Continued)

The amount of deferred income tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized and the deferred income tax liability is settled. Deferred income tax assets and liabilities are not discounted.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

- (iv) Current income tax balances and deferred income tax balances, and movements therein, are presented separately from each other and are not offset. Current income tax assets are offset against current income tax liabilities, and deferred income tax assets against deferred income tax liabilities, if the Company has the legally enforceable right to set off current income tax assets against current income tax liabilities and the following additional conditions are met:
- in the case of current income tax assets and liabilities, the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
 - in the case of deferred income tax assets and liabilities, if they relate to income taxes levied by the same taxation authority.

(g) Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
- (ii) the Company and the party are subject to common control;
- (iii) the party is an associate of the Company or a joint venture in which the Company is a venturer;
- (iv) the party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in note (i) above or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.

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

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key source of estimation uncertainty is discussed below.

Current income tax

The Company makes a provision for current income tax based on estimated taxable income for the year. The estimated income tax liabilities are primarily computed based on the tax computation as prepared by the Company. Nevertheless, from time to time, there are cases of disagreements with the tax authority of Hong Kong on the tax treatment of items included in the tax computation and certain non-routine transactions. If the Company considers it probable that these disputes or judgements will result in different tax positions, the most likely amounts of the outcome will be estimated and adjustments to the income tax expense and income tax liabilities will be made accordingly.

4 Related party transactions

- (a) Key management compensation of the Company during the years ended December 31, 2013 and 2014 were borne by a fellow subsidiary of the Company.
- (b) Balances with holding companies and fellow subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

5 Income tax

	2013 HK\$ million	2014 HK\$ million
Hong Kong profits tax		
- Underprovision in respect of prior years	148	-

No Hong Kong profits tax had been provided as the Company had no assessable profits for the years ended December 31, 2013 and 2014.

Reconciliation between income tax expense and loss before income tax at applicable tax rates:

	2013 HK\$ million	2014 HK\$ million
Loss before income tax	-	-
Tax calculated at tax rate of 16.5% (2013: 16.5%)	-	-
Underprovision in respect of prior years	148	-
Income tax expense	148	-

The Company had no unrecognized tax losses as at December 31, 2013 and 2014.

No deferred income tax asset or liability was recognized as at December 31, 2013 and 2014.

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 Share capital

	As at December 31,			
	2013 Number of shares	HK\$ million	2014 Number of shares	HK\$ million
Authorized: (note a)				
Ordinary shares (2013: HK\$1 each) (note b)	2,500,000,000	2,500	-	-

	Year ended December 31,			
	2013 Number of shares	Share capital HK\$ million	2014 Number of shares	Share capital HK\$ million
Issued and fully paid:				
As at January 1	2,163,783,209	2,164	2,163,783,209	2,164
Transfer from share premium account upon transition to no-par value regime on March 3, 2014 (note c)	-	-	-	397
As at December 31	2,163,783,209	2,164	2,163,783,209	2,561

- (a) Under the new Hong Kong Companies Ordinance (Cap. 622) which came into effect on March 3, 2014, the concept of authorized share capital no longer exists.
- (b) In accordance with section 135 of the new Hong Kong Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from March 3, 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the member(s) as a result of this transition.
- (c) In accordance with the transactional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), on March 3, 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

7 Capital management

The Company regards total equity as the capital. The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company monitors capital by reviewing the level of capital that is at the disposal of the Company.

The Company is not exposed to externally imposed capital requirements.

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 Financial risk management

Exposure to credit risk arises in the normal course of the Company's business. Exposure to this risk is controlled by the Company's financial management policies and practices described below.

(i) Credit risk

The Company's credit risk is primarily attributable to the amounts due from holding companies and fellow subsidiaries. The Company is not exposed to material credit risk as the amounts due from holding companies and fellow subsidiaries are continuously monitored by assessing the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at December 31, 2013 and 2014, the amounts due from holding companies and fellow subsidiaries were fully performing.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position on page 5 of the financial statements.

(ii) Fair value

The amounts due from holding companies and fellow subsidiaries are carried at amounts not materially different from their fair values as at December 31, 2013 and 2014.

9 Contingent liabilities

As at December 31, 2014, the Company had given unconditional and irrevocable guarantee in respect of guaranteed notes issued by the following fellow subsidiary of the Company, as to payment of principal and interest in favour of the holders of the guaranteed notes.

Name of issuer	Year of expiry	Outstanding principal of guaranteed notes at December 31, 2014
PCCW-HKT Capital No.3 Limited	2015	US\$500 million

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 Possible impact of amendments, new or revised standards and interpretations issued but not yet effective for the annual accounting period ended December 31, 2014

Up to the date of approval of these financial statements, the HKICPA has issued the following amendments, new or revised standards and interpretations which are not yet effective for the accounting period ended December 31, 2014 and which have not been adopted in these financial statements:

		Effective for accounting periods beginning on or after
HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions	July 1, 2014
HKAS 1 (Revised) (Amendment)	Presentation of Financial Statements – Disclosure Initiative	January 1, 2016
HKAS 16 (Amendment)	Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
HKAS 16 (Amendment)	Property, Plant and Equipment – Agriculture: Bearer Plants	January 1, 2016
HKAS 27 (2011) (Amendment)	Separate Financial Statements – Equity Method in Separate Financial Statements	January 1, 2016
HKAS 28 (2011) (Amendment)	Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
HKAS 28 (2011) (Amendment)	Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception	January 1, 2016
HKAS 38 (Amendment)	Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
HKAS 41 (Amendment)	Agriculture: Bearer Plants	January 1, 2016
HKFRS 10 (Amendment)	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
HKFRS 10 (Amendment)	Consolidated Financial Statements – Investment Entities: Applying the Consolidation Exception	January 1, 2016
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
HKFRS 12 (Amendment)	Disclosure of Interests in Other Entities – Investment Entities: Applying the Consolidation Exception	January 1, 2016
HKFRS 14	Regulatory Deferral Accounts	January 1, 2016
HKFRS 15	Revenue from Contracts with Customers	January 1, 2017
HKFRS 9 (2014)	Financial Instruments	January 1, 2018
Annual Improvements to 2010-2012 Cycle published in January 2014 by HKICPA		July 1, 2014
Annual Improvements to 2011-2013 Cycle published in January 2014 by HKICPA		July 1, 2014
Annual Improvements to 2012-2014 Cycle published in October 2014 by HKICPA		January 1, 2016

PCCW-HKT TELEPHONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 Possible impact of amendments, new or revised standards and interpretations issued but not yet effective for the annual accounting period ended December 31, 2014 (Continued)

Apart from the above, a number of improvements and minor amendments to HKFRSs have also been issued by the HKICPA but they are not yet effective for the accounting period ended December 31, 2014 and have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new or revised standards and new interpretations would be in the period of initial application, but not yet in a position to state whether these amendments, new or revised standards and new interpretations would have a significant impact on the Company's results of operations and financial position.