

**Full Year Financial Statements Announcement for the Year Ended 31 December 2014**  
**CHINA GREAT LAND HOLDINGS LTD.**  
(Company registration number: 200312792W)

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENT**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>The Group</b>		<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>Year ended 2014</b>	<b>2013</b>		
	<b>Unaudited RMB'000</b>	<b>Audited RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Continuing Operations</b>				
Revenue	9,895	14,612	(4,717)	-32.3%
Cost of sales	(6,740)	(11,606)	(4,866)	-41.9%
<b>Gross profit</b>	3,155	3,006	149	5.0%
Selling and distribution expenses	(210)	(669)	(459)	-68.6%
General and administrative expenses	(6,977)	(6,686)	291	4.4%
Finance costs	(3)	(1,258)	(1,255)	-99.8%
<b>Profit from continued operations before income tax</b>	3,130	7,691	(4,561)	-59.3%
<b>Taxation</b>	(1,873)	(2,497)		
<b>Profit from continued operations after income tax</b>	1,257	5,194	(3,937)	-75.8%
<b>(Loss) from discontinued operations after income tax</b>	(31,565)	(11,489)		
<b>Total comprehensive income/(loss) for the year</b>	(30,308)	(6,295)	(24,013)	-381.5%
<b>Profit/(Loss) for the year attributable to :</b>				
Equity holders of the parent				
Profit from continued operations	1,197	5,092	(3,895)	-76.5%
(Loss) from discontinued operations	(31,450)	(11,526)	(19,924)	-172.9%
<b>(Loss) attributable to the parent</b>	(30,253)	(6,434)	(23,819)	-370.2%
<b>Profit/(Loss) for the year attributable to :</b>				
Non-controlling interest				
Profit from continued operations, net of tax	61	102	(41)	-40.7%
(Loss)/Profit from discontinued operations, net of tax	(116)	37	(153)	-412.6%
<b>(Loss)/Profit attributable to non-controlling interest</b>	(55)	139	(194)	-139.7%

Nm: Not meaningful

## 1(a)(i) continued

	The Group		Increase/ (Decrease)	Increase/ (Decrease)
	Year ended 2014	2013		
	Unaudited	Audited		
Results from Discontinued Operati	RMB'000	RMB'000	RMB'000	%
Revenue	651	18,356	(17,705)	-96.5%
Cost of sales	(536)	(15,199)	(14,663)	-96.5%
<b>Gross profit</b>	115	3,157	(3,042)	-96.4%
Other operating Income	102	5,097	4,995	98.0%
Selling and distribution expenses	(30)	(238)	(208)	-87.3%
General and administrative expenses	(9,845)	(11,017)	(1,172)	-10.6%
Other operating expenses	(15,645)	-	15,645	NM
Finance costs	(6,262)	(4,811)	1,451	30.2%
<b>(Loss) from discontinued operation before income tax</b>	(31,565)	(7,812)	(23,753)	-304.1%
<b>Taxation</b>	-	(3,677)		
<b>(Loss) from discontinued operation after income tax</b>	(31,565)	(11,489)	(20,076)	-174.7%
<b>Total comprehensive (loss) for the year</b>	(31,565)	(11,489)	(20,076)	-174.7%

**1a (ii) Items, which if significant must be included in the income statement**

Revenue include the following

	Group Discontinued Operations			Group Continued Operations		
	2014	2013	change	2014	2013	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue include the following:						
Sales of Piles	651	18,356	-96.5%	-	-	-
Sales of aerated bricks	-	-	-	-	-	-
Engineering Services	-	-	-	9,895	14,612	-32.3%

Other income include the following

	Group Discontinued Operations			Group Continued Operations		
	2014	2013	change	2014	2013	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Rental	2,572	-	n.m	-	213	n.m
Gain on Disposal of property, plant and equipment	299	-	n.m	937	3,454	-72.9%

Other operating income include the following

	Group Discontinued Operations			Group Continued Operations		
	2014	2013	change	2014	2013	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Reversal of impairment loss on trade and other receivables	5,104	10,817	-52.8%	6,651	11,626	-42.8%

Other operating expenses include the following

	Group Discontinued Operations			Group Continued Operations		
	2014	2013	change	2014	2013	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Impairment loss on trade receivables	(2,410)	(5,098)	-52.7%	(56)	(625)	-91.0%
Impairment of Property, plant and equipment	(4,951)	(82)	5937.7%	-	-	-
Loss on Disposal of property, plant and equipment	(10,721)	(261)	4007.7%	-	-	-

(Loss)/Profit before taxation is arrived at after charging /(crediting) :

	<b>The Group</b>		<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>Year ended</b>			
	<b>2014</b>	<b>2013</b>		
	<b>Unaudited</b>	<b>Audited</b>	<b>RMB'000</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Interest income	(1)	(3)	(2)	-58.9%
Finance Lease - interest income	(147)	-	(147)	Nm
Rental income	(2,572)	(213)	2,359	1107.5%
Reversal of impairment loss on trade and other receivables	(11,755)	(22,443)	(10,688)	-47.6%
Foreign exchange gain	-	(75)	(75)	Nm
Other income	(804)	(529)	275	52.0%
Allowance for doubtful receivables	4,239	6,255	(2,016)	-32.2%
Loss on Stop operations	1,252	6,453	(5,201)	-80.6%
Allowance for impairment loss of plant and machinery	4,951	82	4,869	5937.7%
Amortisation of intangible assets	-	465	(465)	Nm
Depreciation of property, plant and equipment	519	2,749	(2,230)	-81.1%
(Gain)/Loss on sale of plant and machinery	(9,485)	3,193	(12,678)	-397.1%
Write-down of inventories	366	1,696	(1,330)	-78.4%
Interest on borrowings	6,468	6,059	409	6.8%
Operating lease expenses - rental expenses	96	226	(130)	-57.5%
Staff costs	4,329	11,525	(7,196)	-62.4%
Redundancy Payments	2,699	1,496	1,203	80.4%

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<b>The Group</b>		<b>The Company</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	22	7,183	-	-
Finance Lease Receivables	939	-	-	-
<b>Total non-current assets</b>	<b>961</b>	<b>7,183</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>				
Inventories	-	-	-	-
Finance Lease Receivables	218	-	-	-
Trade receivables	9,753	6,811	-	-
Deposits, prepayments and other receivables	551	1,607	3	26
Amount due from subsidiaries (non-trade)	-	-	30,000	30,015
Cash and cash equivalents	774	627	502	350
<b>Total current assets</b>	<b>11,296</b>	<b>9,045</b>	<b>30,505</b>	<b>30,391</b>
<b>Disposal group classified as Held for sales</b>	<b>63,729</b>	<b>86,487</b>		
<b>TOTAL ASSETS</b>	<b>75,986</b>	<b>102,715</b>	<b>30,505</b>	<b>30,391</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital, reserves and non-controlling interests</b>				
Share capital	79,862	79,862	79,862	79,862
Statutory reserve	367	367	-	-
Asset revaluation reserve	10,885	10,885	-	-
Accumulated (losses)/profits	(221,925)	(191,672)	(85,137)	(84,104)
<b>Equity attributable to equity holders of the Company</b>	<b>(130,811)</b>	<b>(100,558)</b>	<b>(5,275)</b>	<b>(4,242)</b>
Non-controlling interests	(1,135)	(1,080)	-	-
<b>Total equity</b>	<b>(131,946)</b>	<b>(101,638)</b>	<b>(5,275)</b>	<b>- 4,242</b>
<b>Non-current liabilities</b>				
Interest-bearing loans	-	3,600	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>3,600</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	28,000	32,644	5,780	4,633
Amounts due to a minority shareholder (Note 1)	30,500	32,170	30,000	30,000
Interest-bearing loans	21,200	21,200	-	-
Income tax payable	4,370	2,497	-	-
<b>Total current liabilities</b>	<b>84,070</b>	<b>88,511</b>	<b>35,780</b>	<b>34,633</b>
<b>Liabilities directly associated</b>				
<b>Disposal group classified as Held for sales</b>	<b>123,862</b>	<b>112,242</b>		
<b>Total liabilities</b>	<b>207,932</b>	<b>200,753</b>	<b>35,780</b>	<b>34,633</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>75,986</b>	<b>102,715</b>	<b>30,505</b>	<b>30,391</b>

**Note 1:****Amounts due to a minority shareholder**

	The Group	
	31 December 2014 Unaudited RMB'000	31 December 2013 Audited RMB'000
<b>Amounts due to a shareholder</b>		
<b>Hainan Pearl River Holdings Co., Ltd</b>		
- interest bearing loans(unsecured)	-	3,600
- interest payables and advances received	30,500	32,170
	<u>30,500</u>	<u>35,770</u>

\* The short-term loan is unsecured and bears interest at a rate of 13.8% (2013: 13.8%) per annum.

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 31 December 2014 RMB'000		As at 31 December 2013 RMB'000	
Secured	Unsecured	Secured	Unsecured
9,831	54,500	10,090	27,700

**Amount repayable after one year**

As at 31 December 2014 RMB'000		As at 31 December 2013 RMB'000	
Secured	Unsecured	Secured	Unsecured
-	17,000	-	42,400

**Details of any collateral**

As at 31 December 2014, there were no collateral pledged to the above borrowings.

**(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>For year ended</b>	
	<b>2014</b>	<b>2013</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation - continuing operations	3,130	7,691
(Loss) before taxation - discontinuing operations	(31,565)	(7,812)
	<u>(28,435)</u>	<u>(121)</u>
<b>Adjustments for:</b>		
Impairment loss of inventory	366	1,696
Allowance for impairment loss of plant and machinery	4,951	-
Depreciation of property, plant and equipment	519	2,749
Amortisation expense on land use rights	-	465
Amortisation expense on mining rights	-	62
Loss/(Gain) on disposal of property, plant and equipment	10,381	(3,193)
(Gain) on disposal of equipment through finance lease	(896)	-
Loss on disposal of inventory	3,772	-
Allowance for doubtful trade and other receivables	4,239	6,064
Reversal - Allowance for doubtful trade and other receivables	(11,755)	(22,443)
Interest expense	6,468	6,059
Finance lease interest income	(147)	-
Interest income	(1)	(3)
	<u>(10,538)</u>	<u>(8,665)</u>
<b>Operating profit/(loss) before working capital changes</b>		
<b>Changes in working capital:</b>		
In inventories	2,807	(95)
In trade receivables and other receivables	8,743	39,735
In trade and other payables	(7,155)	(23,222)
	<u>(6,143)</u>	<u>7,753</u>
<b>Cash (used in)/ generated from operations</b>		
Amount placed with a third party on receipt of proceeds arising from disposal of equity interest in SPRP	-	(30,000)
Interest paid	(973)	(3,074)
Interest received	1	3
	<u>(7,115)</u>	<u>(25,318)</u>
<b>Net cash flows (used in) operating activities</b>		
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	4,559	756
Deposit received from minority shareholder on disposal of equity interest in SPI	-	30,000
Additions of land use right	(787)	-
Purchase of property, plant and equipment	(3)	(2,317)
	<u>3,769</u>	<u>28,439</u>
<b>Cash flows generated from investing activities</b>		
<b>Financing activities</b>		
Proceeds/(Repayment) for amount due to a director, net	650	(1,048)
Non-trade advances from a minority shareholder	1,414	1,286
Proceeds from interest-bearing loans	1,141	26,390
Repayment of bank loan	-	(29,500)
	<u>3,205</u>	<u>(2,872)</u>
<b>Cash flows generated from/ (used in) financing activities</b>		
<b>Net (decrease)/increase in cash and cash equivalents</b>	(141)	249
<b>Cash and cash equivalents at beginning of year</b>	1,023	774
<b>Cash and cash equivalents classified as held-for-sale</b>	(108)	(396)
	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>	<u>774</u>	<u>627</u>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statements of Changes in Equity**  
**For the year ended 31 December 2014**

	Share capital	Statutory reserve	Asset revaluation reserve	Accumulated profits/(losses)	Total attributable to equity holders of the parent	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>							
At 1 January 2013	79,862	367	10,885	(185,239)	(94,125)	(1,218)	(95,343)
Total comprehensive loss for the year	-	-	-	(6,434)	(6,434)	139	(6,295)
At 31 December 2013	79,862	367	10,885	(191,673)	(100,559)	(1,079)	(101,638)
Total comprehensive loss for the year	-	-	-	(30,253)	(30,253)	(55)	(30,308)
At 31 December 2014	79,862	367	10,885	(221,926)	(130,812)	(1,134)	(131,946)

**Statements of Changes in Equity**  
**For the year ended 31 December 2014**

	Share capital	Accumulated profits	Total
	RMB'000	RMB'000	RMB'000
<b>Company</b>			
At 1 January 2013	79,862	(82,952)	(3,090)
Total comprehensive loss for the year	-	(1,152)	(1,152)
At 31 December 2013	79,862	(84,104)	(4,242)
Total comprehensive loss for the year	-	(1,033)	(1,033)
At 31 December 2014	79,862	(85,137)	(5,275)

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

1(d)(ii)	2014		2013	
	SS'000	RMB'000	SS'000	RMB'000
<u>Issued and paid-up capital</u>				
At the end of the year	<u>15,827</u>	<u>79,862</u>	<u>15,827</u>	<u>79,862</u>

As at 31 December 2014 and 31 December 2013, there were no treasury shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>2014</b>	<b>2013</b>
	<b>Number of ordinary shares ('000)</b>	
<hr/>		
<u>Issued and paid-up capital</u>		
At the end of the year	<u>170,000</u>	<u>170,000</u>

As at 31 December 2014 and 31 December 2013, there were no treasury shares.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

As at 31 December 2014, there were no treasury shares.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been reviewed or audited by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The figures have not been reviewed or audited by the Company's auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and Company have applied the same accounting policies and methods of computations in the financial statements for the current financial year and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2014, except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial year beginning on or after 1 January 2014. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in the accounting policies and methods of computation.

**6. (Loss)/Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	For the 12 month					
	Continued Operations		Discontinued Operations		Total	
	2014 RMB	2013 RMB	2014 RMB	2013 RMB	2014 RMB	2013 RMB
Basic Earnings per share (cents)	<u>0.01</u>	<u>0.03</u>	<u>(0.19)</u>	<u>(0.05)</u>	<u>(0.18)</u>	<u>(0.02)</u>
Diluted Earnings per share (cents)	<u>0.01</u>	<u>0.03</u>	<u>(0.19)</u>	<u>(0.05)</u>	<u>(0.18)</u>	<u>(0.02)</u>

As at 31 December 2014 and 31 December 2013, the Group did not have equity instruments which were dilutive in nature. Accordingly, there were no potential dilution of ordinary shares as at 31 December 2014 and 31 December 2013.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	The Group		The Company	
	2014	2013	2014	2013
Net asset value (RMB'000)	(131,946)	(101,638)	(5,275)	(4,242)
Number of issued shares ('000)	170,000	170,000	170,000	170,000
Net asset value per share (RMB)	<u>(0.78)</u>	<u>(0.60)</u>	<u>(0.03)</u>	<u>(0.02)</u>

The calculation of net asset value per ordinary share of the Group and the Company is based on 170,000,000 (31 December 2013: 170,000,000) number of ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **FY2014 vs FY 2013 Continued Operation**

Revenue decreased by 32.3% from RMB14.6 million in FY2013 to RMB9.9 million in FY2014. The decrease in revenue was mainly due to the Group optimize its resources to focus on projects which could drive higher margin.

Gross margin improved by almost 11.4% to 31.9% in FY2014 compared to 20.5% posted in FY2013.

Other income of RMB7.2 million was posted in FY2014. This represented a decline of RMB6.1 million compared to RMB13.3 million in FY2013. This was attributed mainly with lower reversal of impairment loss on trade and other receivables.

Selling and distribution expenses for FY2014 and FY2013 were RMB0.2 million and RMB0.7million respectively. The reduction vis-à-vis was as a result of reduction of entertainment, travelling cost and sales commission in tandem to reduction on the revenue and lawyer fees during the year.

General and Admin expenses increased by RMB0.3 million from RMB 6.6 million in FY2013 to RMB6.9 million in FY2014 as a result of increased in professional fees .

Finance Cost reported RMB0.003 million in FY2014 compared to RMB1.3 million as a result of borrowing reduction.

Group reported a profit before tax of RMB3.1 million in FY2014 as compared to RMB7.7 million posted in FY2013 as a result.

Taxation expense of RMB1.9 million was recorded for FY2014 compared to RMB2.5 million in FY2013 as a result of lower profit generated.

#### **Discontinued Operation**

Revenue decreased by 96.5% from RMB18.3 million in FY2013 to RMB0.6 million in FY2014. The decrease in revenue was attributed with the cessation of our piling business. The Group has slowed down its piling business since end of FY2013.

Other operating income reduced from RMB5.1 million in FY2013 to RMB0.1 million in view of lower reversal impairment loss on trade and other receivables.

Selling and distribution expenses for FY2014 was RMB0.03 million, representing a decrease of almost RMB0.2 million compared to RMB0.24 million in FY2013. This was in tandem with revenue reduction attributed with operation being scaled down.

General and Admin expenses decreased by 10.6% from RMB 11 million in FY2013 to RMB9.8 million in FY2014. This was in view of cessation of production arising for three subsidiaries. Inevitably, overhead and office expenses reduced significantly.

**Discontinued Operation ( Cont'd)**

Other operating expenses registered RMB15.6 million was attributed to loss on disposal on PPE and impairment on PPE amounting RMB10.7 million and RMB4.9 million respectively.

Finance Cost went up by RMB1.5 million from RMB4.8 million in FY2013 to RMB6.3 million in FY2014 as a result of increased borrowing loan.

In view of the above, Net loss before tax for the Discontinued Group increased from RMB7.8 million in FY2013 to RMB31.6 million in FY2014.

## **REVIEW OF FINANCIAL POSITION**

### **Non-Current Assets**

The Group's non-current assets consist of intangible assets and property, plant and equipment. Our non-current assets as at 31 December 2014 and 31 December 2013 amounted to approximately RMB7.1 million and RMB1.0 million respectively. The decrease was mainly due to disposal the property, plant and equipment of HHBM during the year.

### **Current Assets**

Our current assets comprise of inventories, construction work-in-progress, trade receivables, deposits, prepayments and other receivables and cash and cash equivalents. As at 31 December 2014 and 31 December 2013, our current assets amounted to approximately RMB11.3 million and RMB9.0 million respectively.

Total current assets increased by RMB2.2 million were due mainly to increase in trade receivables as a result of late billing for the work completed in December 2014.

Other deposit, prepayments and other receivables decreased from RMB1.6 million in FY2013 to RMB0.6 million due to reversal of other receivables impairment during the year.

### **Asset held for disposal reduced from RMB86.5 million in FY2013 to RMB63.7 million in FY2014.**

Non-current asset reduced from RMB35.1 million in FY2013 to RMB23.1 million in FY2014. The reduction was mainly due to the disposal of PPE in Sanya Pearl River Pile Co., Ltd and Hainan Huadi Building Materials Co, Ltd.

Total Current Asset reduced by RMB10.8 million to RMB40.6 million in FY2014 compared to RMB51.4 million a year ago. This was due to impairment loss and loss on disposal of inventory RMB6.9 million. Trade and other receivables reduced by RMB3.6 million to RMB40.5 million in FY2014 as a result of recovery of long outstanding debts.

### **Current Liabilities**

Our current liabilities comprise mainly of trade payables, non-trade amounts owing to related parties and interest-bearing loans. Total current liabilities decreased by approximately RMB4.4 million from RMB88.5 million to RMB84.1 million.

Trade and other payables decreased from RMB 32.8 million to RMB 28.0million. These were due to payment to trade creditors and retrenchment being settled during the year.

Amounts due to a related party as at 31December 2014 was RMB30.5 million compared to RMB32.0million in FY2013. The reduction was due to settlement of interest charge and outstanding loan from Hainan Pearl River Holdings Co., Ltd ("Hainan Holdings"), minority shareholder of HPRP.

Current loan remained unchanged at RMB21.2 million year-on-year comparison.

### **Liabilities held for disposal went up from RMB112.2 million in FY2013 to RMB123.9 million in FY2014.**

Trade and other payables increased from RMB49.7 million in FY2013 to RMB53.7 million in FY2014 mainly due to classification of Trade and other payables arising from continued operation in FY2013 to a discontinued operation in FY2014. Total borrowings went up from RMB19.5 million in FY2013 to RMB49.5 million in FY2014 as a result of long term debt being converted to short term.

## Cash flow

Overall, the Group's available cash balances increased by RMB 0.14 million from RMB0.63million at end 2013 to approximately RMB0.77 million at end December 2014. This was mainly due to disposal of fixed assets as well as increase in borrowings during the year.

A summary of cash flows is as follows:

	For year ended	
	2014	2013
	RMB'000	RMB'000
Net cash flows (used in)operating activities	(7,115)	(25,318)
Cash flows generated from investing activities	3,769	28,439
Cash flows generated from/ (used in) financing activities	3,205	(2,872)
Net (decrease)/increase in cash and cash equivalents	<u>(141)</u>	<u>249</u>

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group has approved and disposed its piling business and aerated brick business during EGM held on 30 January 2015. This will inevitably releases The Group resources to its profitable engineering entity. The Group will be continuing to strengthen its existing engineering business and explore its business into other provinces outside Haikou.

In addition, in the event if situation arises for additional working capital, the shareholders will be negotiating with bank for loan funding.

The Board and Management are of the opinion that the Group's operations can be and will be continued as a going concern.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

The Company does not propose to declare any dividends for the current financial year reported on.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Not applicable

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/(recommended), a statement to that effect.**

No dividends have been declared/recommended for the financial year ended 31 December 2014.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no interested person transactions for the financial year ended 31 December 2014.

**PART II—ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2,Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group is in substantially in one business segment, namely the engineering services in construction for property. Accordingly, no business segment information is presented.

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8.

**16. A breakdown of sales**

The Group	2014	2013	increase/(decrease)	
	Unaudited RMB'000	Audited RMB'000	%	RMB'000
a Sales reported for first half year	2,903	9,076	-68.0%	(6,173)
b Operating loss after tax before deducting minority interests reported for first half year	1,669	(1,351)	223.5%	3,020
c Sales reported for second half year	6,992	5,536	26.3%	1,456
d Operating profit/(loss) after tax before deducting minority interests reported for second half year	(412)	6,545	-106.3%	(6,957)

**17. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying any managerial positions in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Li Zhangjiang De Malca  
Executive Chairman and Managing Director  
26 February 2015