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OPES ASIA DEVELOPMENT LIMITED
華保亞洲發展有限公司*

(Continued into Bermuda with limited liability)
 (Stock Code: 810)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014

RESULTS

The Board of Directors (the “Board”) of Opes Asia Development Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2014 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	<i>Notes</i>	2014 HK\$	2013 HK\$
Turnover	4	50,210,246	52,815,557
Cost of equity securities disposed of		(52,569,668)	(49,057,479)
Net unrealised fair value change on financial assets at fair value through profit or loss		(32,650,168)	(3,095,808)
Impairment loss on other receivables		(19,052,000)	–
Loss on disposal of assets classified as held for sale		(7,200,000)	–
Impairment loss on available-for-sale financial assets		(2,920,000)	–
Change in fair value of derivative component in convertible bond receivable	11	(393,646)	209,391
Interest income on convertible bond		3,264,207	7,032,756
Dividend income		188,344	122,398
Listed debt securities interest income		52,462	–
Gross (loss)/profit		(61,070,223)	8,026,815

	<i>Notes</i>	2014 HK\$	2013 <i>HK\$</i>
Other income	5	4,180,458	275,073
Administrative expenses		(25,078,927)	(28,902,091)
Other operating expenses		(2,728,182)	(2,431,296)
Written off of property, plant and equipment		(1,071,294)	–
		<hr/>	<hr/>
Loss before income tax	6	(85,768,168)	(23,031,499)
Income tax expenses	7	(3,586)	(14,947)
		<hr/>	<hr/>
Loss for the year		<u>(85,771,754)</u>	<u>(23,046,446)</u>
Loss for the year attributable to owners of the Company		(85,771,754)	(23,046,446)
Loss per share attributable to owners of the Company	8		
Basic (HK cents)		<u>(64.69)</u>	<u>(39.04)</u>
Diluted (HK cents)		<u>(64.69)</u>	<u>(39.04)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2014

	2014	2013
	HK\$	HK\$
Loss for the year	(85,771,754)	(23,046,446)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets	(1,299,332)	(2,657,899)
Reclassification of available-for-sale fair value reserve upon disposal of assets classified as held for sale	7,200,000	–
Reclassification of available-for-sale fair value reserve upon impairment loss recognised	2,920,000	–
Release of available-for-sale fair value reserve upon disposal of a subsidiary	(1,309,511)	–
Release of exchange reserve upon disposal of subsidiaries	55,886	–
Exchange differences arising from translation of foreign operations	–	(60,800)
	<hr/>	<hr/>
Other comprehensive income (loss) for the year, net of income tax	7,567,043	(2,718,699)
	<hr/>	<hr/>
Total comprehensive loss for the year	<u>(78,204,711)</u>	<u>(25,765,145)</u>
Total comprehensive loss attributable to owners of the Company	<u>(78,204,711)</u>	<u>(25,765,145)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	<i>Notes</i>	2014 HK\$	2013 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	9	17,983,352	2,861,097
Intangible asset		120,000	120,000
Available-for-sale financial assets	10	14,111,811	9,956,383
		<u>32,215,163</u>	<u>12,937,480</u>
Current assets			
Convertible bond receivable	11	–	23,748,965
Derivative component in convertible bond receivable	11	–	395,241
Financial assets at fair value through profit or loss		97,386,066	19,453,633
Deposits for acquisition of investments		–	510,204
Other receivables, prepayments and deposits	12	2,000,965	7,900,609
Cash and bank balances		116,830,177	10,103,290
		<u>216,217,208</u>	<u>62,111,942</u>
Assets classified as held for sale	13	5,900,000	2,800,000
		<u>222,117,208</u>	<u>64,911,942</u>
Total assets		<u>254,332,371</u>	<u>77,849,422</u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital		26,332,725	3,591,600
Reserves		226,418,104	72,391,746
Total equity		<u>252,750,829</u>	<u>75,983,346</u>
LIABILITIES			
Current liabilities			
Accrued expenses		1,581,542	1,866,076
Total liabilities		<u>1,581,542</u>	<u>1,866,076</u>
Total equity and liabilities		<u>254,332,371</u>	<u>77,849,422</u>
Net current assets		<u>220,535,666</u>	<u>63,045,866</u>
Total assets less current liabilities		<u>252,750,829</u>	<u>75,983,346</u>

Notes:

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all HKFRSs, Hong Kong Accounting Standards (“HKAS”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments (including derivative financial instruments) that are measured at fair values.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (the “new and revised HKFRSs”) issued by the HKICPA which are effective for the Group’s financial period beginning 1 January 2014. A summary of the new and revised HKFRSs are set out as below:

HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non – Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) – Int. 21	Levies

HKAS 32 (Amendments) Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’.

HKAS 36 (Amendments) Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

HKAS 39 (Amendments) Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments) Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 *Levies* for the first time in the current year. HK (IFRIC) – Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The adoption of these revised HKFRS has had no significant impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

	Listed investments		Unlisted investments			Total HK\$
	Hong Kong HK\$	Australia HK\$	Hong Kong HK\$	The PRC HK\$	Macau HK\$	
2014						
Turnover	47,410,246	-	2,800,000	-	-	50,210,246
Segment results	(34,185,458)	(663,362)	1,309,511	(10,120,000)	(16,181,439)	(59,840,748)
Bank interest income						175,970
Unallocated sundry income						2,694,977
Depreciation						(1,675,454)
Unallocated expenses						(27,122,913)
Income tax expenses						(3,586)
Loss for the year						<u>(85,771,754)</u>
Segment assets	111,285,256	380,771	69,897,405	-	-	181,563,432
Assets classified as held for sale	-	-	-	5,900,000	-	5,900,000
Unallocated assets*						66,868,939
Total assets						<u>254,332,371</u>
Segment liabilities	-	-	-	-	-	-
Unallocated liabilities						1,581,542
Total liabilities						<u>1,581,542</u>
Capital expenditures	-	-	-	-	-	-
Unallocated capital expenditures**						18,905,873
Total capital expenditures						<u>18,905,873</u>
Other segment information						
Impairment loss on other receivables	-	-	-	-	(19,052,000)	(19,052,000)
Loss on disposal of assets classified as held for sale	-	-	(7,200,000)	-	-	(7,200,000)
Impairment loss on available-for-sale financial assets	-	-	-	(2,920,000)	-	(2,920,000)
						<u>(29,172,000)</u>

* Unallocated assets mainly included cash and bank balances of HK\$47,025,617, property, plant and equipment of HK\$17,983,352, and intangible asset of HK\$120,000.

** Unallocated capital expenditures consisted of additions to property, plant and equipment.

	Listed investments			Unlisted investments			Total HK\$
	Hong Kong HK\$	Australia HK\$	United States HK\$	Hong Kong HK\$	The PRC HK\$	Macau HK\$	
2013							
Turnover	51,502,772	–	1,312,785	–	–	–	52,815,557
Segment results	(526,582)	1,044,133	267,117	–	–	7,242,147	8,026,815
Bank interest income							3,836
Rental income							225,000
Unallocated sundry income							46,237
Depreciation							(1,476,658)
Unallocated expenses							(29,856,729)
Income tax expenses							(14,947)
Loss for the year							<u>(23,046,446)</u>
Segment assets	18,409,500	1,044,133	–	3,298,383	6,658,000	30,330,821	59,740,837
Assets classified as held for sale							2,800,000
Unallocated assets*							<u>15,308,585</u>
Total assets							<u><u>77,849,422</u></u>
Segment liabilities	–	–	–	–	–	–	–
Unallocated liabilities							<u>1,866,076</u>
Total liabilities							<u><u>1,866,076</u></u>
Capital expenditures	–	–	–	–	–	–	–
Unallocated capital expenditures**							<u>956,225</u>
Total capital expenditures							<u><u>956,225</u></u>

* Unallocated assets mainly included cash and bank balances of HK\$10,103,290, property, plant and equipment of HK\$2,861,097 and intangible asset of HK\$120,000.

** Unallocated capital expenditures consists of additions to property, plant and equipment.

4. TURNOVER

Proceeds from sales of equity securities recognised during the year are as follows:

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Sales of listed equity securities	47,410,246	52,815,557
Sale of unlisted equity security	2,800,000	–
	<u>50,210,246</u>	<u>52,815,557</u>

5. OTHER INCOME

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Bank interest income	175,970	3,836
Reversal of impairment loss of the guaranteed annual return (<i>note i</i>)	2,640,000	–
Rental income	–	225,000
Gain on disposal of subsidiaries (<i>note ii</i>)	1,364,488	–
Sundry income	–	46,237
	<u>4,180,458</u>	<u>275,073</u>

Notes:

- i. During the year ended 31 December 2012, the Group considered that the guaranteed annual return of HK\$2,640,000 for the year 2012 due from Harvest Smart Becky Agric-Bio Technology Limited was not recoverable and recognised an impairment loss on available-for-sale financial assets of HK\$2,640,000. During the year ended 31 December 2014, the Group received full amount of guaranteed annual return, and the reversal of impairment loss was recognised.
- ii. Gain on disposal of subsidiaries mainly included a release of available-for-sale fair value reserve upon disposal of a subsidiary, which held 9.9% equity interest of The Pride Fund Management Limited (“The Pride Fund”), amounting to HK\$1,309,511.

6. LOSS BEFORE INCOME TAX

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

	2014	2013
	<i>HK\$</i>	<i>HK\$</i>
Auditors' remuneration	290,000	290,000
Depreciation	1,675,454	1,476,658
Minimum lease payments under operating leases:		
– property rental	2,878,073	5,952,907
Gain on disposal of subsidiaries (Note 5(ii) above)	(1,364,488)	–
Impairment loss on other receivables (Note 12 below)	19,052,000	–
Impairment loss on available-for-sale financial assets	2,920,000	–
Employee benefit expenses excluded share-based payments	8,685,447	9,633,690
Net unrealised fair value loss on financial assets		
at fair value through profit or loss	32,650,168	3,095,808
Share-based payments (<i>Note</i>)	2,241,588	3,154,712
Exchange loss	486,829	155,958
	<u> </u>	<u> </u>

Note:

During the year ended 31 December 2014, certain share options were granted and subsequently cancelled or lapsed. The share-based payments were charged to profit or loss and deducted through the related reserve account upon cancellation and lapse in the same year.

7. INCOME TAX EXPENSES

	2014	2013
	<i>HK\$</i>	<i>HK\$</i>
Current income tax		
– the PRC enterprise income tax	<u>3,586</u>	<u>14,947</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2014 and 2013.

The PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for the years ended 31 December 2014 and 2013.

The Taiwan Company Tax is calculated at 17% of the estimated assessable profit for the year ended 31 December 2013.

No Hong Kong Profits Tax is provided as there is no estimated assessable profit for the year ended 31 December 2014 (2013: Nil).

No Taiwan Company Tax is provided as there is no estimated assessable profit for the year ended 31 December 2013.

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	2014	2013
	<i>HK\$</i>	<i>HK\$</i>
Loss attributable to owners of the Company		
Loss for the purpose of basic and diluted loss per share	<u>(85,771,754)</u>	<u>(23,046,446)</u>
Number of shares	2014	2013 (Re-stated)
Weighted average number of ordinary shares for the purpose of basic loss per share	132,599,040	59,037,429
Effect of dilutive potential ordinary shares:		
Share option issued by the Company	—	—
Weighted average number of ordinary shares for the purpose of diluted loss of share	<u>132,599,040</u>	<u>59,037,429</u>
Basic and diluted loss of share (HK cents)	<u>(64.69)</u>	<u>(39.04)</u>

As at 31 December 2014, the Company has no outstanding share options remaining.

For the year ended 31 December 2014, the effect of right issue and share consolidation were taken up on the weighted average number of ordinary shares for the purpose of basic loss per shares.

For the year ended 31 December 2013, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

For the year ended 31 December 2013, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share was restated to approximately 59,037,429 to reflect the effect of the rights issue and the effect of the share consolidation. (The originally stated weighted average number of ordinary shares for the purpose of basic and diluted loss per share was approximately 316,520,000.) Details are set out in the Company's Circular dated on 4 September 2014 and 25 February 2015 respectively.

9. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2014, the Group had property, plant and equipment of approximately HK\$17.98 million (2013: HK\$2.86 million). During the year, the Group had acquired an office premise with a cost of about HK\$13.3 million.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014	2013
	<i>HK\$</i>	<i>HK\$</i>
Unlisted equity securities		
– the PRC	5,900,000	6,658,000
– Hong Kong	–	6,098,383
	<u>5,900,000</u>	<u>12,756,383</u>
Listed debt securities		
– Hong Kong	14,111,811	–
Transfer unlisted equity securities to assets classified as held for sale (<i>note 13</i>)	(5,900,000)	(2,800,000)
	<u>14,111,811</u>	<u>9,956,383</u>
Less: Non-current portion	(14,111,811)	(9,956,383)
	<u>–</u>	<u>–</u>
	<u><u>–</u></u>	<u><u>–</u></u>

11. CONVERTIBLE BOND RECEIVABLE AND DERIVATIVE COMPONENT IN CONVERTIBLE BOND RECEIVABLE

During the year ended 31 December 2012, the Group entered into an agreement to subscribe for convertible bond (the “CB”) with principal amount of RMB20,000,000 issued from Ascent Glory Holdings Limited (the “AGHL”) at a consideration of RMB20,000,000 (equivalent to HK\$24,680,000). The CB carries interest of 20% per annum and matured on 13 June 2014. The initial conversion price was RMB2,400 per share (subject to adjustment). Unless previously converted or lapsed, the CB issuer would redeem the CB on 13 June 2014 at 100% of the principal amount of outstanding CB. The CB was guaranteed by certain guarantors to pay principal and interest in respect of the obligations of AGHL.

Because the CB matured during the year ended 31 December 2014, the convertible bond receivable was classified as other receivable after the date of maturity (*Note 12 below*).

The CB was recognised as follows:

	Debt component HK\$	Derivative component HK\$
At 1 January 2013	21,672,209	185,850
Interests credited for the year	2,076,756	–
Fair value change	–	209,391
	<hr/>	<hr/>
At 31 December 2013 and 1 January 2014	23,748,965	395,241
Interests credited for the year	1,034,897	–
Expired during the year	(24,680,000)	(393,646)
Exchange alignment	(103,862)	(1,595)
	<hr/>	<hr/>
At 31 December 2014	–	–
	<hr/> <hr/>	<hr/> <hr/>

12. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2014 HK\$	2013 HK\$
Convertible bond principal receivable	13,680,000	–
Convertible bond coupon interest receivable	5,372,000	6,186,615
Interest receivables from 廣州星越航空服務有限公司	74,794	74,794
Guaranteed annual return	–	2,640,000
Less: Provision for impairment loss on other receivables	(19,126,794)	(2,714,794)
	–	6,186,615
Consideration receivables in respect of disposal of subsidiaries	1,003,000	–
Interest receivables on bank deposits (Including fixed deposits)	92,845	–
Listed debt securities interest receivables	168,150	–
Others	2,623	6,062
	1,266,618	6,192,677
Prepayments	570,418	412,612
Rental, utility and other deposits	163,929	1,295,320
	2,000,965	7,900,609

During the year ended 31 December 2014, the principal amount of the CB of RMB20,000,000 (equivalent to HK\$24,680,000) and the coupon interest receivable on the CB of approximately RMB4,353,000 (equivalent to HK\$5,372,000) were reclassified from convertible bond receivable since the date of maturity of the CB of which details are set out in note 11 in this announcement.

As detailed in Company's announcement dated 31 July 2014, the Company received from the CB issuer a partial repayment of HK\$5,000,000.

As detailed in the Company's announcement dated 18 August 2014, the Company received from the CB issuer a repayment proposal, under which the CB issuer proposed to repay the principal sum by a monthly instalment of HK\$2 million for 10 months whilst all the outstanding interest incurred of approximately RMB4,353,000 (equivalent to HK\$5,372,000) has been proposed to be waived.

Subsequent to the repayment proposal, the CB issuer made three monthly repayments of HK\$2,000,000 for the period from September to November 2014. However, the CB issuer had defaulted in their monthly repayment since December 2014. Up to the date of this Report, the Company had received the total sum of repayments of approximately RMB8,914,000 (equivalent to approximately HK\$11,000,000) and the net outstanding receivable was approximately RMB15,439,000 (equivalent to approximately HK\$19,052,000). The Company considered the event of default on repayment by the CB issuer is an objective evidence of impairment. Hence, an impairment loss of approximately HK\$19,052,000 was recognised for the year ended 31 December 2014.

13. ASSETS CLASSIFIED AS HELD FOR SALE

	2014	2013
	HK\$	HK\$
At 1 January 2014	2,800,000	–
Disposal	(2,800,000)	–
Transfer from available-for-sale financial assets (<i>note 10</i>)	5,900,000	2,800,000
	<hr/>	<hr/>
At 31 December 2014	5,900,000	2,800,000
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On 30 December 2014, the Company entered into a sale and purchase agreement with an independent third party to dispose of the entire 30% equity interest in 北京華寶時代國際設備租賃有限公司(“北京華寶”)(Beijing Hua Bao Times International Equipment Leasing Company Limited) for a consideration of HK\$5,900,000. The completion is expected to be around in early 2015. Accordingly, the related assets were reclassified as assets held for sale at 31 December 2014.

On 10 December 2013, Airstar International Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party in relation to the disposal of the entire 20% equity interest in Hou Tin International Limited (“Hon Tin”) for a consideration of HK\$2,800,000. Accordingly, the related assets were reclassified as held for sale at 31 December 2013.

14. DIVIDEND

No final dividend was paid or proposed during 2014 and 2013, nor any dividend been proposed by the Board subsequent to the end of the reporting period.

INVESTMENT PORTFOLIO

During the year, the Group had successfully raised fundings from the issue of new shares and rights shares and significantly increased the investment portfolio from approximately HK\$29.41 million to approximately HK\$111.5 million. The portfolio primarily comprising investment in listed equity securities of approximately HK\$97.39 million (2013: HK\$19.45 million) and investment in listed debt securities of approximately HK\$14.11 million.

Listed equity and listed debt securities

Investments which were classified as financial assets through profit or loss amounted to approximately HK\$97.39 million (2013: HK\$19.45 million).

Investments which were not held for trading were classified as available-for-sale financial assets. As at 31 December, 2014, the available-for-sale financial assets primarily comprised listed debt securities and amounted to about HK\$14.11 million (2013: HK\$9.96 million).

Unlisted investment

During the year, all the investments in unlisted equity securities were or will be disposed of. First, the subsidiary which held the 9.9% equity interest in The Pride Fund Management Limited (“The Pride Fund”) was disposed at its then book value.

Second, our 30% equity interest in 北京華寶時代國際設備租賃有限公司 (Beijing HuaBao Times International Equipment Leasing Co. Ltd.) will be disposed of at a consideration of HK\$5,900,000 and it will be completed in early 2015. Accordingly, the investment amount was classified as assets held for sale in the consolidated financial statement.

Third, the disposal of our 20% equity interest in Hou Tin International Limited was completed during the year. For details, please refer to the annual report of fiscal year 2013. The relevant available-for-sale fair value reserve of HK\$7,200,000 was reclassified from other comprehensive income to profit or loss.

REVIEW OF OPERATIONS

For the year ended 31 December 2014, the Group recorded a revenue of approximately HK\$50.21 million (2013: HK\$52.82 million), representing a decrease of approximately 4.93% as compared with that of last year. The revenue mainly represented the sales of listed and unlisted equity securities and the decrease in revenue was mainly attributable to the low volatility of the Hong Kong stock market during the first half of year 2014. The revenue from the sales of listed equity securities of the second half of the financial year increased to approximately HK\$35.18 million as compared to the revenue of approximately HK\$12.23 million in the first half of the financial year.

The gross loss for the year ended 31 December 2014 was approximately HK\$61.07 million (2013 gross profit: HK\$8.03 million), and comprised the following major items. Firstly, the net unrealized fair value change on financial assets through profit or loss amounted to about HK\$32.65 million. The financial assets mainly comprised equity securities listed on the main board and GEM board.

Second, an impairment loss of about HK\$19.05 million was recognised for the amounts due from the convertible note issuer. In 2012, a subsidiary of the Company subscribed a convertible note, totaling RMB20 million at 20% coupon rate with the maturity of 24 months (“Note”). The Note should have been redeemed on 13 June 2014. However, the Note issuer could only repay HK\$5 million, and the Note issuer proposed to a monthly instalment of HK\$2 million for 10 months whilst all the outstanding interest accrued of approximately RMB4.35 million (equivalent to approximately HK\$5.37 million) under the Note were requested to be waived. Unfortunately, after three instalments, the Note issuer had failed to repay the instalments since December 2014. Up to the date of this Announcement, we had received the total sum of repayments of approximately RMB8.91 million (equivalent to approximately HK\$11 million) and the net outstanding receivable was approximately RMB15.44 million (equivalent to approximately HK\$19.05 million). For the sake of prudence, an impairment loss of approximately RMB15.44 million (equivalent to approximately HK\$19.05 million) was made in the consolidated financial statement. The management continues to follow up the recovery of the outstanding receivable.

Third, there was a loss on disposal of an available-for-sale investment (classified as held for sale in prior year) of approximately HK\$7.2 million, being the reclassification of the relevant available-for-sale fair value reserve from other comprehensive income to profit or loss.

Lastly, there was an impairment loss on available-for-sale financial assets of HK\$2.92 million. The financial asset will be disposed in 2015 and was classified as held for sale this year and the above loss was transferred from the available-for sale fair value reserve upon impairment.

During the year, the Group had also invested in listed debt securities for the diversification of the asset classes. The listed debt securities interest income amounted to about HK\$188,000.

Other income mainly represented two items. First, there was a recovery of certain guaranteed annual return amounting to HK\$2,640,000 from an investee company, Harvest Smart. Previously, the Group considered the guaranteed annual return was not recoverable and recognised it as an impairment loss on available-for-sale financial assets. During the year ended 31 December 2014, the Group received the guaranteed annual return and the reversal of impairment loss was recognised. Second, a subsidiary which held the 9.9% equity interest in available-for-sale investment (i.e. The Pride Fund) was disposed of at the prevailing book value. The related available-for-sale fair value reserve of HK\$1,309,511 was released to profit or loss upon the above disposal.

During the year, the Group also streamlined its operations by selling out certain of its subsidiaries in the PRC and Taiwan. There was also a written-off of the related fixtures and equipment in the amount of approximately HK\$1.07 million.

Thanks to the cost control measures taken by the Group since the second half of the fiscal year, the administrative expenses eased by approximately HK\$3.82 million, or approximately 13.2%, as compared to the fiscal year 2013. In particular, the employee benefit expense (excluded share-based payments) and rental expenses were reduced by approximately HK\$0.95 million and HK\$3.07 million, respectively.

During the year, certain share options were granted and subsequently cancelled or lapsed. The share-based payments of approximately HK\$2.24 million were charged to profit or loss and deducted through the related reserve account upon cancellation and lapse in the same year.

The net loss attributable to shareholders for the year ended 31 December 2014 increased to approximately HK\$85.77 million from approximately HK\$23.05 million for the year ended 31 December 2013, mainly attributable to net unrealized fair value change on financial assets at fair value through profit or loss, an impairment loss on the convertible bond receivables, and the loss on disposal of certain unlisted equity investments.

PROSPECTS

Year 2014 was a year full of challenges and opportunities. According to the “Research Paper No. 56: A review of the global and local securities market in 2014”, issued by the Securities Futures Commission on 16 January 2015, the performance of Hong Kong stock market lagged behind other major markets which rose on optimism about supportive government measures. However, the Hang Seng Index only increased 1.3% because of the concerns over the US Fed’s tapering and uncertain Mainland economic outlook prevailing on the market.

In September 2014, the Hang Sang Index reached a six-year high of over 25,000 points, following the rally in the Mainland market. In November 2014, the Stock Connect was launched to provide mutual trading access between Shanghai and Hong Kong stock markets and the investors can trade eligible shares listed on the Shanghai and Hong Kong Stock Exchanges, subject to quota. The northbound aggregate quota is set at RMB 300 billion, and the southbound aggregate is set at RMB 250 billion. As of 31 December 2014, most of the actively traded stocks for northbound trading were large-cap stocks and A-H stocks with A-shares traded at discount to H-shares. Investor sentiment further improved after the interest rate cut in the Mainland.

Going forward, global central banks have turned more accommodative. The Bank of Japan has launched its qualitative and quantitative easing (QQE) and the European Central Bank had announced its EUR 1 trillion quantitative easing in January 2015 and will buy EUR 60 billion of assets from March 2015 to September 2016. In general, the market sentiment towards European and Japanese equities has been positive. The depreciation of the Yen caused by its QQE has also helped the growth in corporate earnings, primarily through currency translation. In a similar vein, stocks in European markets should get a further boost because of the expected improved corporate earnings in 2015, through currency translation gains. The US Fed has ended quantitative easing (“QE”) but it is expected that it will not run down its balance sheet yet. Although there

has not been one single global bull stock market, the cycles have been disjoined and desynchronized. The uptrends in US and Europe were affected by bear market shakeouts under the European debt issues in 2011. Japanese stock market revealed the uptrends in 2012 and Asia ex-Japan has been trading sideways since mid-2011.

The QE drove yield lower and the US corporate earnings have been rising. The 10-year US Treasury yield stays low, which implies a forthcoming bear market is unlikely, and the outlook of US equities is still bullish, at least, in the first half of year 2015. Given the optimism about supportive government measures, equities investment is, generally, more preferable than investment in USD-denominated bonds because the equities bull market is likely to be sustained in 2015.

The market has also several major potential risks. First, the high valuation concerns exist in the US and Mainland markets. Second, the US interest rate hikes generate uncertainties. Third, global macro risks emerge. In Europe, economic recovery remains weak and worries over deflation linger.

Moreover, Premier Li Keqiang has recently announced in the annual work report at the annual session of the National People's Congress that the Shenzhen-Hong Kong stock connect programme would be launched at an appropriate time. The stock through-train schemes between Shanghai and then Shenzhen is considered as a trial for financial reform on the mainland. This also facilitates investors in Hong Kong to purchase stocks in the China stock markets, which can provide numerous investment opportunities.

In sum, the year of 2015 is full of opportunities for equity investments, provided that the risks can be appropriately contained.

In view of the market opportunities and uncertainties, the Company has pursued the following strategies to ensure that we can enjoy the upside of the market and can deal with the risks proactively.

1. As mentioned in our interim report, controlling operational costs has been one of the key initiatives of the Company to sustain our position and increase the competitiveness. During the year, the Group purchased a self-used property in Kowloon for relocation of our operations. This relocation significantly reduced the rental expenses to approximately HK\$2.88 million for the year ended 31 December 2014 (2013: HK\$5.95 million).

Following the completion of rights issue in September 2014, the Company and China International Capital Limited (“CICL”), the Company’s investment manager, reviewed the investment management fee arrangement. Thanks to the efforts of the management, in December 2014, the fees payable by the Company to CICL thereunder have been reduced to a fixed sum of HK\$35,000 per month for the period from 1 September 2014 to 3 May 2015, which is the end of the remaining term of the appointment of the investment manager of the Company. For details of the above, please refer to the announcement of the Company dated 5 December 2014. This reduced the investment management fee for the financial year 2014 to the level of approximately HK\$1.5 million (2013: approximately 1.7 million). We are now negotiating with another investment management company because the existing investment management contract will expire in early May 2015.

2. As mentioned in the interim report, the Group has actively sought for investment opportunities in unlisted companies, engaging in various industries, including green and clean energy, dairy products and medical devices. We entered into two letters of intent for certain investments in June and July 2014. The former one was terminated in January 2015 and the latter one subsequently lapsed. For details of the two letters of intent, please refer to the Company’s respective announcements of 30 June 2014, 3 July 2014 and 12 January 2015.

Currently, the Company plans to invest in a light emitting diodes (“LED”) lighting company. The investment is expected to be about HK\$4-5 million. We has taken a cautious approach and conducted the due diligence works towards the possible investments in unlisted companies because the liquidity of this kind of unlisted investments is generally low, albeit their internal rates of return can be high.

3. During the year, the Company has strengthened its management team and appointed a licensed person, who can carry out type 9 (assets management) regulated activities under the Securities Future Ordinance, to the board, a qualified professional accountant to chair the audit committee and a senior executive with expertise in corporate governance as the chief executive officer. In 2015, we will further enhance the corporate image and strengthen the investment operations. These can increase the funding-raising and deal-sourcing ability of the Company.

During the year, our investment portfolio was increased to a level of about HK\$111.5 million, and we also acquired our own office premise. All these can illustrate the strong commitment of the Group to its long term development. The Group continues to engage in the investment business, and considers to further increase our size by enhancing the capital base. In this connection, a share consolidation exercise has been recently pursued. This can result in the share price of the Company being more comparable with companies of similar size and market capitalization, which may also attract more potential investors and expand the shareholder base of the Company. In March 2015, the Company implemented a share consolidation of every ten existing shares of HK\$0.01 each in the issued and unissued share capital into one consolidated share of HK\$0.1

each and change in board lot size for trading in the Stock Exchange of Hong Kong from 30,000 existing shares to 6,000 consolidated shares upon the share consolidation become effective. For details of the share consolidation and the change in board lot size, please refer to the circular dated 25 February 2015. A special general meeting was convened on 13 March 2015 and the resolution was duly passed by the shareholders by way of poll. For details, please refer to the announcement dated 13 March 2015.

The Company will continue to implement its investment strategies, including the buy-and-hold strategy to enjoy the stable return from holding investments over a long time horizon and band trading strategy to realise profit when there are available market opportunities. We aim to maintain a diversified asset mix that can generate acceptable long term returns at a level of risk suitable to the Company and its shareholders. We also strive to diligently and carefully evaluate investment opportunities in various major asset classes, such as investment in listed equity securities, listed debt securities and unlisted equity securities in start-up companies and make investments that can provide good returns to the shareholders.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial resources and liquidity

As at 31 December 2014, the cash and bank balances amounted to approximately HK\$116.83 million (2013: HK\$10.10 million). The net current assets for the year ended 31 December 2014 was approximately HK\$220.54 million (2013: HK\$63.05 million). The increase in both cash and bank balances and net current assets were mainly attributed to the fund-raising proceeds from the rights issue in September 2014.

There were no borrowings as at 31 December 2014 (2013: Nil). As at 31 December 2014, the capital commitment of the Group amounted to approximately HK\$0.78 million regarding the acquisition of fixed assets (2013: Nil).

Property, plant and equipment

As at 31 December 2014, the carrying value of the property, plant and equipment rose to approximately HK\$17.98 million (2013: HK\$2.86 million). This increase was mainly attributable to an acquisition of an office premise situated at Flat 18, 9th Floor, Block B, Focal Industrial Centre, 21 Man Lok Street, Hunghom, Kowloon, Hong Kong. The costs of acquisition were about HK\$13.3 million.

Material acquisition and disposal

During the year, the Group disposed of certain wholly owned subsidiaries at an aggregate consideration of approximately HK\$7.24 million. The related gain mainly included a release of available-for-sale fair value reserve upon disposal of a subsidiary amounting to approximately HK\$1.31 million.

Exposure to foreign exchange

The majority of the Group's investment are denominated in Hong Kong dollars (for certain investment in Hong Kong equity as well as cash with bank), and the Board considers the Group has no significant exposure to foreign exchange fluctuation.

Capital structure

On 6 January 2014, the Company issued 71,832,000 ordinary shares at a price of HK\$0.165 each by way of a share placement. The net proceeds amounted to about HK\$11.5 million of which the majority of the proceeds were used to invest in listed securities and the remaining was applied as general working capital of the Group.

On 9 May 2014, the Company issued 86,390,000 ordinary shares at a price of HK\$0.41 each, by way of a share placement. The net proceeds amounted to about HK\$34.5 million of which the majority of proceeds were used to invest in listed securities. Certain proceeds were used to purchase fixed assets and the remaining was applied as general working capital of the Group.

On 30 September 2014, the Company issued 2,106,618,000 rights shares at HK\$0.10 per rights share by way of a rights issue i.e. on the basis of four rights shares for every one share. The net proceeds amounted to about HK\$204.4 million. As at 31 December 2014, about a half of the proceeds were invested in listed equity and debt securities. Certain proceeds were invested in Reminbi and applied as the general working capital respectively. Subsequent to the balance sheet date, the remaining balance has been and will be applied to investment in listed and unlisted equity or debt securities, working capital and other expenditures.

During the year under review, the Company also issued a total of 9,272,500 ordinary shares with par value of HK\$0.01 each at a price of HK\$0.25 each through the exercise of share options by grantees.

After taking into account of the above share placements, exercise of share options and rights issue of 2,106,618,000 rights shares, the issued share capital of the Company increased from HK\$3,591,600 to HK\$26,332,725. At as 31 December 2014, the Company's total number of issued shares was 2,633,272,500 (2013: 359,160,000).

Pledge of the company's assets

As at 31 December 2014, the office premise was pledged for an instalment loan that were subsequently utilized. The value of the assets being charged was approximately HK\$13.04 million.

Human resources

As at 31 December 2014, the Company had about 18 employees who mainly worked in Hong Kong (2013: 22). Staff costs (including directors' remuneration paid) for the year totalled approximately HK\$10.08 million (2013: HK\$12.79 million). The remuneration packages for the employees and the directors were considered to be in line with the prevailing market practices and were determined on the basis of performance and experience of each individual.

CORPORATE GOVERNANCE

The Company is committed to maintaining and implementing high standards of corporate governance. The Board believes that sound corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests.

The Company has followed the Corporate Governance Code (the "CG Code") issued by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and formulated its own policies and procedures on corporate governance. During the year ended 31 December 2014, the Company has complied with all of the provisions under the CG Code except for the following:

Code A.4.1

All the Independent Non-executive directors were not appointed for a specific term, however, their appointment are subject to retirement by rotation at the annual general meeting as specified in the bye-laws of the Company.

Code A.7.1

The code provision A.7.1 requires an agenda and accompanying board papers should be sent, in full, to all directors for regular board meetings and as far as practicable in all other cases. These papers should be sent in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or other agreed period).

Due to the practical reasons, an agenda and accompanying board paper have not been sent, in full, 3 days in advance to certain meetings of the Board or Board Committees. The Board will use its best endeavours to send the agenda and accompanying board paper, in full to the Board or Board Committees at least 3 days in advance to the extent practicable.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Florence Ng, with written terms of reference in compliance with the code provision C.3.3 of the Code as set out in the Appendix 14 of the Listing Rules. Mr. Tam Yuk Sang, Sammy is the chairman of the audit committee.

The Audit Committee has reviewed with the management on the accounting principles and practices adopted by the Company and discussed auditing, internal controls and financial reporting matters including a review and approval of the annual financial statements for year ended 31 December 2014 (“Annual Report”).

ANNUAL GENERAL MEETING (“AGM”)

The AGM of the Company will be held on Monday, 11 May 2015. The notice of AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 May 2015 to 11 May 2015, both days inclusive, for the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the AGM. No transfer of shares may be registered during the said period. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than on 4:30 p.m. on Tuesday, 5 May 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions (the “Model Code”). Having made specific enquiry of all directors of the Company, the directors of the Company have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31 December 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

During 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.

PUBLICATION ON THE STOCK EXCHANGE'S WEBSITE

The results announcement will be published on the Stock Exchange's website (<http://www.hkex.com.hk>). The 2014 Annual Report will be dispatched to the shareholders and will be made available on the website of Stock Exchange in due course.

By Order of the Board
Opes Asia Development Limited
Lam Man Chan
Chairman

Hong Kong, 23 March 2015

As at the date of this announcement, the executive Director is Mr. Lee Kwok Leung; the non-executive Director is Dr. Lam Man Chan and the independent non-executive Directors are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng.

* *For identification purpose only*