天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR 2014

The board of directors ("Board") of Tian An China Investments Company Limited ("Company") announces that the audited consolidated results of the Company and its subsidiaries ("Group") for the year ended 31st December, 2014 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December, 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000* (restated)
Continuing operations			
Revenue	*(3)*	**1,031,785**	1,029,847
Cost of sales		**(598,661)**	(499,674)
Gross profit		**433,124**	530,173
Other income and gains	*(4)*	**114,118**	67,040
Marketing and distribution expenses		**(48,590)**	(60,829)
Administrative expenses		**(291,813)**	(269,350)
Other operating expenses		**(147,625)**	(116,928)
Net (decrease) increase in fair value of held-for-trading investments		**(2,397)**	7,707
Fair value gain on transfer of inventories of completed properties to investment properties		**401,156**	98,079
Increase in fair value of investment properties		**14,592**	381,092
Amortisation of properties for development		**(106,088)**	(112,740)
Gain on disposal of a subsidiary	*(5)*	**1,229,526**	–
Loss on voluntary liquidation of a subsidiary		**(77)**	–
Gain on disposal of a joint venture		**1,100**	–
Finance costs		**(191,361)**	(172,359)
Share of profit of associates		**1,263**	14,346
Share of profit of joint ventures		**72,441**	324,835
Profit before tax		**1,479,369**	691,066
Taxation	*(6)*	**(343,681)**	(403,923)
Profit for the year from continuing operations		**1,135,688**	287,143
Discontinued operations			
Profit for the year from discontinued operations	*(7)*	**120,697**	46,382
Profit for the year	*(8)*	**1,256,385**	333,525

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Cont'd)*
For the year ended 31st December, 2014

	Notes	2014 HK$'000	2013 HK$'000 (restated)
Profit attributable to owners of the Company			
from continuing operations		**1,164,687**	304,671
from discontinued operations		**119,835**	32,893
Profit for the year attributable to owners of the Company		**1,284,522**	337,564
(Loss) profit attributable to non-controlling interests			
from continuing operations		**(28,999)**	(17,528)
from discontinued operations		**862**	13,489
Loss for the year attributable to non-controlling interests		**(28,137)**	(4,039)
		1,256,385	333,525
		HK cents	*HK cents*
Earnings per share	*(9)*		
from continuing operations and discontinued operations			
Basic		**85.25**	22.40
from continuing operations			
Basic		**77.30**	20.22

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2014

	2014 *HK$'000*	2013 *HK$'000* (Restated)
Profit for the year	**1,256,385**	333,525
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation to presentation currency	**(6,178)**	338,554
Items that may be reclassified subsequently to profit or loss:		
Share of change in fair value of available-for-sale investments	**197,216**	(28,368)
Impairment loss on available-for-sale investments reclassified to profit or loss	**25,761**	37,475
Deferred tax effect on share of change in fair value of available-for-sale investments	**(22,625)**	–
Reserves released upon disposal of properties	**85**	521
Other comprehensive income for the year	**194,259**	348,182
Total comprehensive income for the year	**1,450,644**	681,707
Total comprehensive income (expense) attributable to:		
Owners of the Company	**1,478,773**	666,224
Non-controlling interests	**(28,129)**	15,483
	1,450,644	681,707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Non-current Assets			
Property, plant and equipment		**441,056**	1,025,635
Deposits for acquisition of property, plant and equipment		**79,768**	87,695
Investment properties		**9,756,056**	8,629,406
Properties for development		**4,906,030**	6,512,536
Deposits for acquisition of properties for development		**179,993**	198,450
Prepaid lease payments on land use rights		**56,854**	106,848
Other assets – properties interests		**21,171**	22,015
Interests in associates		**3,974**	9,076
Interests in joint ventures		**1,411,556**	1,480,664
Loans receivable		**437,780**	322,257
Available-for-sale investments		**729,189**	219,472
Goodwill		**640**	640
Deferred tax assets		**119,045**	171,703
		18,143,112	18,786,397
Current Assets			
Inventories of properties			
– under development		**2,772,637**	3,291,737
– completed		**4,127,163**	2,376,395
Other inventories		**10,040**	66,638
Amounts due from associates		**2,563**	2,563
Amounts due from joint ventures		**1,041,711**	394,747
Amounts due from non-controlling shareholders		**14,102**	13,090
Loans receivable		**455,252**	58,458
Trade, bills and other receivables, deposits and prepayments	*(11)*	**397,977**	801,838
Prepaid lease payments on land use rights		**1,593**	2,805
Financial assets designated as at fair value through profit or loss		**–**	252,838
Other principal protected deposits		**–**	325,326
Held-for-trading investments		**23,092**	25,489
Prepaid tax		**27,528**	5,873
Pledged bank deposits		**139**	12,585
Bank balances and cash		**1,514,750**	1,939,209
		10,388,547	9,569,591
Assets classified as held for sale		**–**	248,010
		10,388,547	9,817,601

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Cont'd)*
At 31st December, 2014

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Current Liabilities			
Trade, bills and other payables	*(12)*	**3,989,503**	4,463,515
Pre-sale deposits		**758,648**	504,930
Tax liabilities		**708,215**	660,769
Dividends payable to non-controlling shareholders		**–**	8,877
Membership debentures		**32,040**	32,763
Interest-bearing borrowings		**1,776,156**	2,161,696
Interest-free borrowings		**593,482**	514,651
		7,858,044	8,347,201
Liabilities associated with assets classified as held for sale		**–**	171,241
		7,858,044	8,518,442
Net Current Assets		**2,530,503**	1,299,159
Total Assets less Current Liabilities		**20,673,615**	20,085,556
Capital and Reserves			
Share capital		**3,788,814**	301,354
Reserves		**11,656,357**	13,762,984
Equity attributable to owners of the Company		**15,445,171**	14,064,338
Non-controlling interests		**32,633**	953,035
Total Equity		**15,477,804**	15,017,373
Non-current Liabilities			
Interest-bearing borrowings		**2,626,949**	2,077,967
Deferred rental income from a tenant		**63,728**	72,832
Rental deposits from tenants		**29,578**	23,297
Membership debentures		**21,837**	20,621
Deferred tax liabilities		**2,453,719**	2,873,466
		5,195,811	5,068,183
		20,673,615	20,085,556

Notes:

(1) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and by the Hong Kong Companies Ordinance.

(2) Significant accounting policies

In the current year, the Group has applied for the first time in the following new and revised HKFRSs issued by the HKICPA:

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 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 consolidated and separate 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 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.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1st January, 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 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 applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 "Fair Value Measurements".

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1st January, 2018, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1st January, 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1st January, 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1st July, 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1st January, 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

- The directors of the Company ("Directors") anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 "Business Combinations". Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1st January, 2016. The Directors do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

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

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 "Disclosure – Offsetting Financial Assets and Financial Liabilities" issued in December 2011 and effective for periods beginning on or after 1st January, 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 "Interim Financial Reporting".

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

(3) Segment information

The Group's revenue for the year was derived mainly from activities carried out and located in the People's Republic of China ("PRC") other than Hong Kong. The Group's basis of organisation is determined based on four main operations: property development, property investment, manufacture, sales and trading of cement, clinker and construction materials and other operations, that comprises mainly hotel and property management and golf course operation. Similarly, the Group's reportable and operating segments, reported to the Executive Directors of the Company for the purposes of resource allocation and performance assessment, also focused on these four main operations.

An operating segment regarding the manufacture, sales and trading of cement, clinker and construction materials was discontinued in the current year. The segment information reported below does not include any amounts for the discontinued operations, which are described in more detail in note 7.

The following is an analysis of the Group's segment revenue, results, assets and liabilities by reportable and operating segments for the year under review:

	Property development *HK$'000*	**Property investment** *HK$'000*	**Other operations** *HK$'000*	**Consolidated** *HK$'000*
For the year ended 31st December, 2014				
Continuing operations				
SEGMENT REVENUE				
External sales	**451,627**	**441,785**	**138,373**	**1,031,785**
RESULTS				
Segment profit (loss)	**1,052,883**	**664,552**	**(108,083)**	**1,609,352**
Other income and gains				**114,118**
Unallocated corporate expenses				**(126,444)**
Finance costs				**(191,361)**
Share of profit of associates	**1,263**	**–**	**–**	**1,263**
Share of (loss) profit of joint ventures	**(11,783)**	**100,159**	**(15,935)**	**72,441**
Profit before tax from continuing operations				**1,479,369**
As at 31st December, 2014				
Continuing operations				
Assets				
Segment assets	**12,255,813**	**10,066,718**	**196,297**	**22,518,828**
Interests in associates	**3,974**	**–**	**–**	**3,974**
Interests in joint ventures	**519,759**	**896,022**	**(4,225)**	**1,411,556**
Amounts due from associates	**2,563**	**–**	**–**	**2,563**
Amounts due from joint ventures	**994,967**	**–**	**46,744**	**1,041,711**
Unallocated corporate assets				**3,553,027**
Consolidated total assets for continuing operations				**28,531,659**
Liabilities				
Segment liabilities	**3,344,630**	**222,590**	**91,372**	**3,658,592**
Unallocated corporate liabilities				**9,395,263**
Consolidated total liabilities for continuing operations				**13,053,855**

	Property development *HK$'000*	Property investment *HK$'000*	Other operations *HK$'000*	Consolidated *HK$'000*
For the year ended 31st December, 2013 (restated)				
Continuing operations				
SEGMENT REVENUE				
External sales	487,177	418,168	124,502	1,029,847
RESULTS				
Segment (loss) profit	(57,621)	720,731	(80,985)	582,125
Other income and gains				67,040
Unallocated corporate expenses				(124,921)
Finance costs				(172,359)
Share of profit of associates	14,346	–	–	14,346
Share of profit (loss) of joint ventures	239,324	105,625	(20,114)	324,835
Profit before tax from continuing operations				691,066
As at 31st December, 2013 (restated)				
Continuing operations				
Assets				
Segment assets	12,672,746	9,103,110	356,257	22,132,113
Interests in associates	9,076	–	–	9,076
Interests in joint ventures	679,773	783,338	17,553	1,480,664
Amounts due from associates	2,563	–	–	2,563
Amounts due from joint ventures	348,066	–	46,681	394,747
Unallocated corporate assets				2,927,491
Consolidated total assets for continuing operations				26,946,654
Liabilities				
Segment liabilities	3,475,908	373,897	201,356	4,051,161
Unallocated corporate liabilities				9,115,610
Consolidated total liabilities for continuing operations				13,166,771

(4) Other income and gains

	2014 *HK$'000*	2013 *HK$'000* (restated)
Continuing operations		
Dividend income		
– unlisted shares	**831**	3,442
– listed shares	**909**	836
Interest income on bank deposits	**28,271**	11,939
Interest income from loans receivable	**48,661**	31,855
Interest income from a joint venture	**4,532**	–
Subsidy income	**899**	595
Reversal of write-down of inventories of completed properties	**642**	2,784
Recoveries of bad and doubtful debts	**–**	66
Other income	**29,373**	15,523
	114,118	67,040

(5) Gain on disposal of a subsidiary

During the year ended 31st December, 2014, the Group disposed of 50% of its interests in to a subsidiary which is incorporated in the British Virgin Islands and its subsidiary is engaged in property development and management of golf course in the PRC and a shareholder's loan. Details of the disposal are as follows:

The net assets of the subsidiary at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	188,291
Properties for development	1,289,157
Prepaid lease payments on land use rights	7,503
Inventories of properties under development	67,610
Inventories of properties completed	682
Other inventories	345
Trade and other receivables, deposits and prepayments	10,317
Bank balances and cash	9,164
Shareholders' loans	(515,593)
Trade and other payables	(155,772)
Pre-sale deposits	(10,476)
Interest-bearing borrowings	(61,974)
Deferred tax liabilities	(513,513)
Net assets disposed	315,741
Non-controlling interests	(255,567)
Gain on disposal	1,229,526
Fair value of the remaining interests retained in the subsidiary classified to interests in joint ventures	133,645
Net proceeds on disposals, comprising	1,423,345
– Cash consideration received in current year	35,954
– Settlement of a shareholder's loan in current year	458,788
– Cash consideration received in prior years as deposit	928,603
	1,423,345
Exchange translation reserve transferred to retained earnings *(Note a)*	6,511
Other reserves reclassified to profit or loss *(Note b)*	10,566
Net cash inflow arising on disposal:	
Cash consideration received in current year	35,954
Settlement of a shareholder's loan in current year	458,788
Bank balances and cash disposed of	(9,164)
	485,578

Notes:

(a) Since the functional currencies of the disposed subsidiaries and the Company are the same, exchange differences accumulated in exchange translation reserve relating to the disposed subsidiaries are reclassified from exchange translation reserve to retained earnings at the time of disposal.

(b) Other reserves represented the fair value adjustment arising from acquisition of additional interests of the subsidiary in prior years.

(6) Taxation

	2014	2013
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	**176,250**	64,111
– Land appreciation tax ("LAT")	**32,188**	86,171
	208,438	150,282
(Over) under provision in prior years		
– PRC Enterprise Income Tax	**529**	2,293
– LAT	**(6,749)**	(1,145)
	(6,220)	1,148
	202,218	151,430
Deferred tax	**141,463**	252,493
	343,681	403,923

No provision for Hong Kong Profits Tax has been made as the group companies operating in Hong Kong do not have any assessable profits for both years. The PRC Enterprise Income Tax is calculated at the rates applicable to respective subsidiaries.

(7) Discontinued operations

On 7th December, 2013, the Group entered into a sale and purchase agreement with an independent third party in relation to the disposal of approximately 56.06% interests in a subsidiary at the cash consideration of HK$532,800,000. The shares of the subsidiary are listed on the Main Board of the Stock Exchange and the subsidiary is engaged in the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services with operations in Shandong and Shanghai, the PRC. On 28th January, 2014, the ordinary resolution for approving the sale and purchase agreement was duly passed by the shareholders of the Company at an extraordinary general meeting and the transaction was completed on 4th February, 2014.

The profit for the period from discontinued manufacture, sales and trading of cement, clinker and construction materials operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the manufacture, sales and trading of cement, clinker and construction materials operations as discontinued operations.

	Period ended 4th February, 2014	Year ended 31st December, 2013
	HK$'000	*HK$'000*
Profit of manufacture, sales and trading of cement, clinker and construction materials operations for the year	**2,880**	46,382
Gain on disposal of a subsidiary	**160,388**	–
Tax on gain on disposal	**(42,571)**	–
	120,697	46,382

The results of the manufacture, sales and trading of cement, clinker and construction materials operations for the period from 1st January, 2014 to 4th February, 2014, which have been included in the consolidated statement of profit or loss, were as follows:

	Period ended 4th February, 2014	Year ended 31st December, 2013
	HK$'000	*HK$'000*
Revenue	**80,991**	703,468
Cost of sales	**(72,791)**	(632,911)
Other income	**3,236**	41,881
Expenses	**(6,947)**	(50,066)
Profit before taxation	**4,489**	62,372
Taxation	**(1,609)**	(15,990)
Profit for the period	**2,880**	46,382

Profit for the period from discontinued operations included the following:

Depreciation of property, plant and equipment	**1,784**	21,414
Amortisation of prepaid lease payments on land use rights	**83**	999
Staff costs (including Directors' emoluments)	**2,574**	19,816
Auditor's remuneration	**63**	961
Cost of inventories recognised as expenses	**72,791**	632,912
Net exchange gain	**–**	1,849
Urban land use tax included in other operating expenses	**3**	31
Loss on disposal and write-off of property, plant and equipment	**–**	5,699
Operating lease charges in respect of land and buildings	**41**	537

During the period up to the date of disposal, manufacture, sales and trading of cement, clinker and construction materials operations contributed HK$41,102,000 (2013: paid HK$64,462,000) to the Group's net operating cash flows, paid HK$4,452,000 (2013: contributed HK$105,664,000) in respect of investing activities and paid HK$15,856,000 (2013: paid HK$32,527,000) in respect of financing activities.

The net assets of the manufacture, sales and trading of cement, clinker and construction materials operations as at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	420,071
Deposit for acquisition of property, plant and equipment	86,418
Prepaid lease payment on land use rights	39,102
Inventories of properties completed	4,315
Other inventories	56,295
Loans receivable	34,502
Trade, bills and other receivables, deposits and prepayments	394,191
Financial assets designated as at fair value through profit or loss	254,237
Other principal protected deposits	326,642
Pledged bank deposits	8,490
Bank balances and cash	16,821
Trade, bills and other payables	(159,318)
Tax liabilities	(90,471)
Dividend payable to non-controlling shareholders	(8,877)
Interest-free borrowings	(90)
Interest-bearing borrowings	(102,430)
Deferred tax liabilities	(39,530)
Net assets disposed	1,240,368
Non-controlling interests	(636,706)
Gain on disposal	160,388
Fair value of the remaining interests retained in the subsidiary classified as the available-for-sale investments	(231,250)
Net proceeds on disposals, comprising	532,800
– Cash consideration received in current year	479,520
– Cash consideration received in prior year as deposit	53,280
	532,800
Exchange translation reserve transferred to retained earnings *(Note)*	52,908
Other reserve transferred to retained earnings	(16,035)
Net cash inflow arising on disposal:	
Cash consideration received in current year	479,520
Bank balances and cash disposed of	(16,821)
	462,699

Note:

Since the functional currencies of the disposed subsidiary and the Company are the same, exchange differences accumulated in exchange translation reserve relating to the disposed subsidiary are transferred from exchange translation reserve to retained earnings at the time of disposal.

(8) Profit for the year

	2014	2013
	HK$'000	*HK$'000*
		(restated)
Profit for the year from continuing operations has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**30,368**	31,519
Less: amount capitalised in properties under development	**(4,562)**	(4,003)
	25,806	27,516
Amortisation of:		
Other assets – properties interests	**844**	–
Properties for development	**106,088**	112,740
Prepaid lease payments on land use rights	**1,347**	1,847
Total depreciation and amortisation	**134,085**	142,103
Cost of inventories recognised as expenses	**350,430**	269,333
Net exchange loss (gain)	**430**	(981)
Share of tax of joint ventures (included in share of profit of joint ventures)	**188,762**	312,032

(9) Earnings per share

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share (profit for the year attributable to owners of the Company)	**1,284,522**	337,564

	2014	2013
	'000	*'000*
Number of shares		
Number of ordinary shares in issue during the year for the purpose of basic earnings per share	**1,506,769**	1,506,769

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the owners of the Company is based on the following:

	2014	2013
	HK$'000	*HK$'000*
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company	**1,284,522**	337,564
Profit for the year from discontinued operations	**(119,835)**	(32,893)
Earnings for the purpose of basic earnings per share from continuing operations	**1,164,687**	304,671

From discontinued operations

Earnings per share for the discontinued operations is HK7.95 cents per share (2013: HK2.18 cents), based on the profit for the year from discontinued operations of HK$119,835,000 (2013: HK$32,893,000) and the denominators detailed above for earnings per share.

No diluted earnings per share has been presented for the years ended 31st December, 2014 and 31st December, 2013 as there were no outstanding potential ordinary shares during the years ended 31st December, 2014 and 31st December, 2013.

(10) Dividend

	2014	2013
	HK$'000	*HK$'000*
Dividend recognised as distributions during the year:		
Final dividend for 2013 paid of HK6.5 cents (2013: for 2012 paid of HK4 cents) per share	**97,940**	60,271
Final dividend proposed of HK10 cents (2013: HK6.5 cents) per share	**150,677**	97,940

The final dividend of HK10 cents (2013: HK6.5 cents) per share in respect of the financial year ended 31st December, 2014 has been proposed by the Board and is subject to approval by the shareholders at the forthcoming annual general meeting of the Company.

(11) Trade, bills and other receivables, deposits and prepayments

Proceeds receivable in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements.

Except for the proceeds from sales of properties and rental income from lease of properties which are payable in accordance with the terms of the relevant agreements, the Group generally allows a credit period of 30 days to 1 year to its customers.

The following is an aged analysis of trade and bills receivables at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Within 3 months	**8,700**	283,933
Between 4 and 6 months	**588**	57,296
Between 7 and 12 months	**365**	10,671
Over 12 months	**2,160**	6,127
	11,813	358,027

As at 31st December, 2014, other receivables included a deposit of HK$96,886,000 (2013: HK$96,886,000) which was paid for acquisition of properties held for sale from a third party and the transaction has not yet completed at the end of the reporting period.

(12) Trade, bills and other payables

The following is an aged analysis of trade and bills payables by age, presented based on the invoice date, which are included in trade, bills and other payables, at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Within 3 months	**628,944**	192,648
Between 4 and 6 months	**18,254**	68,641
Between 7 and 12 months	**8,537**	4,386
Over 12 months	**314,500**	304,997
	970,235	570,672

As at 31st December, 2014, the Group has received HK$1,232,736,000 (2013: HK$2,116,309,000) deposits for disposal of properties for development and properties under development through disposal of subsidiaries, which are included in trade, bills and other payables. The transactions have not yet completed at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group from continuing operations for the year ended 31st December, 2014 was HK$1,031.8 million (2013: HK$1,029.8 million), no material change compared to the year before. The profit attributable to owners of the Company was HK$1,284.5 million (2013: HK$337.6 million), representing an increase of over 2.8 times from 2013.

The increase in profit for the year was the result of:

(1) a gain on disposal of a subsidiary of HK$1,229.5 million. This has included a recovery of the loss realised in prior years of HK$199.3 million and an unrealised gain on holding the remaining interests in the subsidiary now classified to interests in joint ventures of HK$65.7 million;

(2) an increase in fair value gain on transfer of inventories of completed properties to investment properties as a Shenzhen project started to enter the rental market during the year; and

(3) a realised gain on disposal of the shares in a listed subsidiary of HK$81.6 million and an unrealised gain on holding the remaining shares of HK$78.8 million, totalling HK$160.4 million before tax or HK$117.8 million after tax.

Earnings per share (including continuing and discontinued operations) amounted to HK85.25 cents (2013: HK22.40 cents), while the net asset value per share attributable to owners of the Company was HK$10.25 at the end of 2014 (2013: HK$9.33).

Business Review

The Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management in China. Up to 4th February, 2014, it was also engaged in the manufacture, sales and trading of cement and clinker in China (please see below for details).

An outline of our achievements in 2014 is described below:

(1) We have continued to dispose of non-core assets. During the year, we completed the disposal of half of our interests in our Fujian development.

(2) Total attributable registered sales (including sales from joint ventures and pre-sales of properties under construction) of the Group amounted to 150,800 m^2 in 2014 (2013: 189,600 m^2), a decrease of 20%. A total attributable gross floor area ("GFA") of approximately 536,300 m^2 (2013: 296,000 m^2) was completed, an increase of 81%.

By the end of 2014, a total attributable GFA of approximately 1,116,100 m^2 (2013: 1,332,700 m^2) was under construction, representing a 16% decrease from last year, including Shenzhen Tian An Cloud Park (Phase 1), Shanghai Tian An Villa (Phase 2 Part 1), Wuxi Manhattan (Phase 1 Part 2 and Phase 2), Fuzhou Dengyun Resort (Phase 1), Huizhou Danshui Tian An sun Life City (Phase 1 Part 2), Changchun Tian An City One (Phase 4 Part 1), Dalian Tian An Jinma Centre, Foshan Tian An Centre (Phases 2 and 3), Changzhou Tian An Cyber Park (Phase 2 Part 1), Nanjing Tian An Cyber Park (Phase 2), Nantong Tian An Cyber Park (Phase 1 Part 2), Chongqing Tian An Cyber Park (Phase 3), Qingdao Tian An Cyber Park (Phase 1), Tianjin Tian An Cyber Park (Phases 2, 3 and 4) and Tianjin Tian An Intelligent Port (Phase 1).

(3) Rental income continued to increase and was up by 6% as compared with 2013. With the addition of Shenzhen Tian An Park Place, the rate of increase in rental income has improved.

(4) Cyberpark: The overall contribution of our cyberpark unit has been below our expectations as the slowing Chinese economy affected sales and leasing.

Our southern cyberparks – Shenzhen, Panyu, Longgang, Foshan and Dongguan – were less affected with sales and leasing performing slightly below budget. However, our eastern and northern cyberparks performed poorly. With the exception of Nanjing, sales and leasing of Changzhou, Jiangyin, Wuxi, Nantong, Chongqing, Qingdao, Tianjin Tian An Cyber Park and Tianjin Tian An Intelligent Port were well short of expectations.

Where necessary, we have slowed down construction of future phases to alleviate pressure on sales and leasing of current phases. By focusing on sales of existing stock, we also hope to reduce overall bank debt of the cyberpark unit.

(5) Tian An's urban renewal project, Tian An Cloud Park, in Huawei New City Area in the Longgang District of Shenzhen is a large scale cyber park of approximately 4 times our standard size. Construction works of the superstructure of all seven towers of phase 1 of the project with GFA of approximately 531,600 m^2 (including basement) are progressing well and the development should be completed in 2015. We have commenced the leasing and pre-sales of this phase since November 2014 and have been clearing the land for future phases. Although this means an increased outlay of resources either through capital injection or loans, it is expected to reduce complications when we start developing these phases.

Sales and leasing to date have been encouraging and we hope this project will contribute to our performance this year.

(6) Tian An's sale of approximately 56.06% of the issued share capital of Allied Cement Holdings Limited was completed on 4th February, 2014 at the consideration of HK$532.8 million, with a remaining interest of approximately 18.94%. The total realised and unrealised gain amounting to approximately HK$160.4 million has been accounted for in 2014.

Plans for 2015

Objectives for 2015 are as follows:

(1) We will continue to adjust the quality of our landbank through acquisitions and disposals and sale of our end products to balance the demands of short term returns and long term capital appreciation.

(2) We will adjust our products and pricing as well as the speed of construction where necessary to assist the sale of our products in the current difficult environment.

(3) We hope to responsibly gear up our projects rather than over-utilising equity in order to increase our return on equity.

(4) We will review our management and cost structure so as to improve efficiency and reduce expenses where possible.

Long term corporate strategies

(1) The Group will retain certain development properties for investment where we believe these properties will provide increasing rental streams and corresponding increases in capital value.

(2) We will concentrate our effort on developing our cyberpark and urban renewal units where we believe our products are welcomed by the government and the local market.

Financial Review

Liquidity and Financing

The Group always maintained its liquidity at a healthy level with a balanced portfolio of financial resources. As at 31st December, 2014, the total bank balances and cash reserves of the Group were approximately HK$1,514.9 million, providing sufficient working capital for the daily operations of the Group.

As at 31st December, 2014, the total borrowings of the Group amounted to approximately HK$4,996.6 million (2013: HK$4,754.3 million), including current liabilities of HK$2,369.6 million (2013: HK$2,676.3 million) and non-current liabilities of HK$2,627.0 million (2013: HK$2,078.0 million). The gearing ratio (net debt over total equity) of the Group was 22% (2013: 19%). The borrowings were mainly used to finance the properties for development and properties under construction. Increase in finance costs is mainly due to the increase in borrowings.

Approximately 65% of the Group's outstanding borrowings will mature within 2 years. Since most of the investments and operation of the Group are carried out in the PRC, most of the bank borrowings are denominated in Renminbi which will be repaid in the same currency. Around 83% of the Group's borrowings bear interest at fixed rates while the remainders are at floating rates.

Due to maintaining flexible and sufficient cashflow for acquiring the potential quality landbank and accelerating construction works for our development projects, the Group intends to obtain proper bank borrowings with reasonable pricing terms. The management continuously monitors its gearing ratio and raises new external borrowings when necessary.

Risk of Foreign Exchange Fluctuation

The Group is required to maintain foreign currency exposure to cater for its recurring operating activities and present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. However, the Group will closely monitor this risk exposure as required.

Pledge on Assets

As at 31st December, 2014, bank deposits of HK$0.1 million, aggregate carrying values of property, plant and equipment, development properties and investment properties of approximately HK$214.9 million, HK$5,870.2 million and HK$7,297.6 million respectively, were pledged for banking facilities and other loans granted to the Group and mortgage loans granted to property purchasers.

Contingent Liabilities

A portion of a property for development that is held by a joint venture with carrying value of approximately HK$2.9 million is under idle land investigation by the local authority. The piece of land owned by the joint venture was held under several land use right certificates. The development of more than half of the piece of land was either completed or under development, except for a portion which is retained for the remaining development of the whole project. Another property for development that is held by a subsidiary of the Group with carrying value of approximately HK$40.7 million is also under idle land investigation by the local authority. This piece of land owned by the subsidiary has been developed by several phases and more than half was completed, except the last portion which is under the planning approval by the local authority. The Group is currently working diligently to prevent the possible classification as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and considers that the idle land confiscation may not materialise.

As at 31st December, 2014, guarantees given to banks in respect of mortgage loans granted to property purchasers and bank facilities granted or utilised by the joint ventures amounted to approximately HK$2,519.7 million. All the guarantees provided by the Group were requested by banks and under normal commercial terms. Legal actions were taken against the Group resulting in possible contingent liabilities of approximately HK$8.2 million. The Group has assessed the claims and obtained legal advice, and considers that either it is too early to assess the range of possible liability at this stage or no additional provision is required to be made.

Employees

As at 31st December, 2014, the Group including its subsidiaries but excluding associates and joint ventures, employed 2,002 (2013: 2,315) persons. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded on performance related basis including salary and bonus.

Business Outlook

With weak sales sentiment, there have been downward adjustments of property prices in most cities of China in 2014. Some local governments have relaxed the policy of restricting the number of homes that can be purchased in order to support the property market. There have been some changes to the property market sentiment in the recent months in the form of reduction in bank interests and lowering of the reserve requirement ratio. The sentiment in the short term may appear to be encouraging but significant market improvement is yet to be seen. However, we remain confident of the longer term prospects of the property market in China.

DIVIDEND

The Board has recommended a final dividend of HK10 cents per share for the year ended 31st December, 2014 (2013: HK6.5 cents per share) payable to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Friday, 5th June, 2015.

CLOSURE OF REGISTER OF MEMBERS

(1) For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company ("2015 AGM")

The 2015 AGM is scheduled to be held on Wednesday, 27th May, 2015. For determining the entitlement to attend and vote at the 2015 AGM, the register of members of the Company will be closed on Tuesday, 26th May, 2015 and Wednesday, 27th May, 2015, during which period no transfer of shares of the Company will be registered. In order for a Shareholder to be eligible to attend and vote at 2015 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 22nd May, 2015.

(2) For determining the entitlement to the proposed final dividend

The proposed final dividend is subject to the approval by the Shareholders at the 2015 AGM. For determining the entitlement to the proposed final dividend for the year ended 31st December, 2014, the register of members of the Company will be closed on Thursday, 4th June, 2015 and Friday, 5th June, 2015, during which period no transfer of shares of the Company will be registered. In order for a Shareholder to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3rd June, 2015. Subject to approval by the Shareholders at the 2015 AGM, dividend warrants are expected to be despatched to the Shareholders by post on or around Friday, 26th June, 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31st December, 2014, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarised below:

(1) Code Provisions B.1.2 and C.3.3

Code provisions B.1.2 and C.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee ("Remuneration Committee") adopted by the Company are in compliance with the code provision B.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the audit committee ("Audit Committee") adopted by the Company are in compliance with the code provision C.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have an effective internal control system; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations are set out in the Corporate Governance Report to be contained in the Company's Annual Report for the financial year ended 31st December, 2014 ("2014 Annual Report"). The Board has reviewed the terms during the year under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference as adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

(2) Code Provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Due to another business engagement, Mr. Lee Seng Hui, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 22nd May, 2014. However, Mr. Edwin Lo King Yau, an Executive Director of the Company, took the chair of that meeting and an Independent Non-Executive Director, being the chairman of the Nomination Committee and member of Audit and Remuneration Committees were present thereat and were available to answer questions to ensure effective communication with the Shareholders.

Further information on the Company's corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company's 2014 Annual Report which will be sent to the Shareholders at the end of April 2015.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31st December, 2014.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

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

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st December, 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

In respect of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which came into effect on 3rd March, 2014, the Directors propose to seek the approval of Shareholders by way of special resolutions ("Special Resolutions") at the 2015 AGM to adopt a new set of articles of association of the Company to replace the existing articles of association of the Company. Full text of the Special Resolutions will be contained in the notice of the 2015 AGM. A circular containing, inter alia, summary of the key amendments to the articles of association of the Company, together with the notice of the 2015 AGM, will be despatched to Shareholders in due course.

On behalf of the Board
Tian An China Investments Company Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 20th March, 2015

As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Ma Sun (Deputy Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman), Dr. Moses Cheng Mo Chi and Mr. Lee Shu Yin being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.