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 2013

RESULTS

The Board of Directors (the "Board") of Opes Asia Development Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

	Notes	**2013**	2012
		HK$	*HK$*
Turnover	4	**52,815,557**	53,590,928
Cost of equity securities disposed of		**(49,057,479)**	(52,660,905)
Change in fair value of derivative component in convertible bond receivable		**209,391**	(3,890,460)
Net unrealised fair value losses on financial assets at fair value through profit or loss		**(3,095,808)**	(12,544,282)
Impairment loss on available-for-sale financial assets		**–**	(2,640,000)
Interest income on convertible bond		**7,032,756**	3,705,212
Dividend income		**122,398**	472,184
Gross profit/(loss)		**8,026,815**	(13,967,323)
Other income	5	**275,073**	371,107
Administrative expenses		**(28,902,091)**	(24,164,549)
Other operating expenses		**(2,431,296)**	(3,159,098)
Finance costs	6	**–**	(3,578)
Loss before income tax		**(23,031,499)**	(40,923,441)
Income tax expenses	7	**(14,947)**	(21,945)
Loss for the year		**(23,046,446)**	(40,945,386)
Loss per share attributable to owners of the Company	9		
Basic (HK cents)		**(7.3)**	(13.7)
Diluted (HK cents)		**(7.3)**	(13.7)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013

	2013	2012
	HK$	*HK$*
Loss for the year	**(23,046,446)**	(40,945,386)
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets	**(2,657,899)**	(3,280,718)
Exchange differences arising from translation of foreign operations	**(60,800)**	4,914
Other comprehensive loss for the year, net of income tax	**(2,718,699)**	(3,275,804)
Total comprehensive loss for the year	**(25,765,145)**	(44,221,190)
Total comprehensive loss attributable to owners of the Company	**(25,765,145)**	(44,221,190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	2013 HK$	2012 HK$
ASSETS			
Non-current assets			
Property, plant and equipment		**2,861,097**	3,381,513
Intangible asset		**120,000**	120,000
Convertible bond receivable	10	**–**	21,672,209
Derivative component in convertible bond receivable	10	**–**	185,850
Available-for-sale financial assets		**9,956,383**	15,414,282
Financial assets at fair value through profit or loss		**–**	9,808,750
		12,937,480	50,582,604
Current assets			
Convertible bond receivable	10	**23,748,965**	–
Derivative component in convertible bond receivable	10	**395,241**	–
Financial assets at fair value through profit or loss		**19,453,633**	16,125,018
Deposits for acquisition of investments		**510,204**	5,000,000
Other receivables, prepayments and deposits		**7,900,609**	4,302,866
Cash and cash equivalents		**10,103,290**	12,637,602
		62,111,942	38,065,486
Assets classified as held for sale		**2,800,000**	–
		64,911,942	38,065,486
Total assets		**77,849,422**	88,648,090
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**3,591,600**	2,993,000
Reserves		**72,391,746**	83,928,079
Total equity		**75,983,346**	86,921,079
LIABILITIES			
Current liabilities			
Accrued expenses		**1,866,076**	1,721,394
Tax payables		**–**	5,617
Total liabilities		**1,866,076**	1,727,011
Total equity and liabilities		**77,849,422**	88,648,090
Net current assets		**63,045,866**	36,338,475
Total assets less current liabilities		**75,983,346**	86,921,079

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 2013. A summary of the new and revised HKFRSs are set out as below:

HKFRS (Amendments)	Annual Improvements 2009-2011 Cycle
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

HKFRS 7 (Amendments) Disclosures- Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The application of HKFRS 10, HKFRS 11, HKFRS 12, HKAS 28 (as revised in 2011) has not had any material impact on the amounts reported for the current year and prior years.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKAS 19 (as revised in 2011) Employee Benefits

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years (see the tables below for details). In addition, HKAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

As the Group does not have any defined benefit plan or employee termination plan and the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period, the adoption of HKAS 19 has had no material financial impact on the Group.

Except as described above, the application of the new and revised HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior year and/or the disclosures set out in the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contribution[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non – Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvement to HKFRSs 2010 – 2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvement to HKFRSs 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Dates of HKFRS 9 and Transition Disclosures[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[4]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
[4] Effective for annual periods beginning on or after 1 January 2016

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of HKAS 40; and

b) the transaction meets the definition of a business combination under HKFRS 3.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was 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 hedge accounting.

Key requirement of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be 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. All other debt investment and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entity 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.

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.

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

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.

HKAS 19 (Amendments) Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

HKAS 32 (Amendments) Offsetting Financial Assets and Financial Liabilities

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 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 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.

HK(IFRIC) – Int 21 Levies

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 Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

3. SEGMENT INFORMATION

2013	Listed investments Hong Kong HK$	Listed investments Australia HK$	Listed investments United States HK$	Unlisted investments Hong Kong HK$	Unlisted investments The PRC HK$	Unlisted investments Macau HK$	Total HK$
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
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							(23,046,446)
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*							15,308,585
Total assets							77,849,422
Segment liabilities	–	–	–	–	–	–	–
Unallocated liabilities							1,866,076
Total liabilities							1,866,076
Capital expenditures	–	–	–	–	–	–	–
Unallocated capital expenditures**							956,225
Total capital expenditures							956,225

* Unallocated assets mainly included cash and cash equivalents 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.

	Listed investments				Unlisted investments			
2012	Hong Kong *HK$*	The PRC *HK$*	Australia *HK$*	United States *HK$*	Hong Kong *HK$*	The PRC *HK$*	Macau *HK$*	Total *HK$*
TURNOVER	45,245,283	5,705,645	–	–	–	2,640,000	–	53,590,928
Segment results	(6,644,238)	1,017,800	(8,272,980)	117,343	–	(2,640,000)	(185,248)	(16,607,323)
Interest income								370,956
Unallocated sundry income								151
Interest expenses								(3,578)
Depreciation								(934,928)
Unallocated expenses								(23,748,719)
Income tax expenses								(21,945)
Loss for the year								(40,945,386)
Segment assets	24,888,100	–	–	1,045,668	14,106,282	6,308,000	24,594,752	70,942,802
Unallocated assets*								17,705,288
Total assets								88,648,090
Segment liabilities	–	–	–	–	–	–	–	–
Unallocated liabilities								1,727,011
Total liabilities								1,727,011
Capital expenditures	–	–	–	–	–	–	–	–
Unallocated capital expenditures**								2,754,307
Total capital expenditures								2,754,307

* Unallocated assets mainly included cash and cash equivalents of HK$12,637,602, property, plant and equipment of HK$3,381,513 and intangible asset of HK$120,000.

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

4. TURNOVER

The Group is engaged in investment in equity securities. Revenues recognised during the year are as follows:

	2013	2012
	HK$	*HK$*
Sales of financial assets at fair value through profit or loss	**52,815,557**	50,950,928
Other investment income	**–**	2,640,000
	52,815,557	53,590,928

5. OTHER INCOME

	2013	2012
	HK$	*HK$*
Interest income		
– Bank interest income	**3,836**	2,906
– Other interest income	**–**	368,050
Rental income	**225,000**	–
Sundry income	**46,237**	151
	275,073	371,107

6. FINANCE COSTS

	2013	2012
	HK$	*HK$*
Interest on bank overdrafts	**–**	3,578

7. INCOME TAX EXPENSES

	2013	2012
	HK$	*HK$*
Current income tax		
– the PRC enterprise income tax	**14,947**	21,945

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2013 and 2012.

The PRC enterprise income tax is calculated at 25% of the estimated assessable profit for the years ended 31 December 2013 and 2012.

No Hong Kong profits tax is provided as there is no estimated assessable profit for the year (2012: Nil).

The tax expenses for the year can be reconciled to loss before income tax as follows:

	2013	2012
	HK$	*HK$*
Loss before income tax	**(23,031,499)**	(40,923,441)
Tax calculated at the rates applicable to the tax jurisdiction concerned	**(3,843,940)**	(6,757,848)
Tax effect of income not taxable for tax purposes	**(1,721,715)**	(742,524)
Tax effect of expenses not deductible for tax purposes	**1,842,560**	4,146,403
Tax effect of tax losses not recognised	**3,628,943**	3,285,957
Tax effect of taxable temporary difference not recognised	**109,099**	89,957
Tax expenses for the year	**14,947**	21,945

8. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company of HK$23,046,446 (2012: HK$40,945,386) for the year ended 31 December 2013 includes a loss of HK$25,442,902 (2012: HK$38,218,425) which has been dealt with in the financial statements of the Company.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	2013	2012
	HK$	*HK$*
Loss attributable to owners of the Company		
Loss for the purpose of basic and diluted loss per share	**(23,046,446)**	(40,945,386)

	2013	2012
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**316,520,000**	299,027,432
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	**316,520,000**	299,027,432
Basic and diluted loss of share (HK cents)	**(7.3)**	(13.7)

During the years ended 31 December 2013 and 2012, 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.

10. CONVERTIBLE BOND RECEIVABLE/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 from Ascent Glory Holdings Limited ("AGHL"), a wholly owned subsidiary of Grand Success Business Limited ("GSBL") at a consideration of RMB20,000,000 (approximately HK$24,680,000). The CB carry interest of 20% per annum and will mature on 12 June 2014. The initial conversion price is RMB2,400 per share (subject to adjustment). Unless previously converted or lapsed, AGHL will redeem the CB on 12 June 2014 at the redemption amount which is 100% of the principal amount of outstanding CB.

Both GSBL and AGHL were incorporated in the British Virgin Islands and AGHL holds 50% equity interest in 澳門飛馬煙草（集團）有限公司 (English translation as "Macao Pegasus Tabacco (Group) Limited" "MPT"), a company incorporated in Macau with principal activities of manufacture, wholesale, retail, import and export of cigarettes to and from Macau.

The CB was recognised as follows:

	Debt component *HK$*	Derivative component *HK$*
At date of subscription	20,620,140	4,059,860
Interests credited for the year	968,519	–
Fair value change	–	(3,890,460)
Exchange alignment	83,550	16,450
At 31 December 2012 and 1 January 2013	21,672,209	185,850
Interests credited for the year	2,076,756	–
Fair value change	–	209,391
At 31 December 2013	**23,748,965**	**395,241**

11. EVENT AFTER THE REPORTING PERIOD

On 6 January 2014, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best-offer basis, a maximum of 71,832,000 placing shares to not fewer than six placees who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons at a price of HK$0.165 per placing shares. On 20 January 2014, the placing has been completed. Details of the placing were set out in the Company's announcement dated 20 January 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2013, the Group recorded a revenue of approximately HK$52.82 million (2012: HK$53.59 million), representing an decrease of approximately 1.45% as compared with that of last year. The net loss attributable to shareholders for the year ended 31 December 2013 was approximately HK$23.05 million (2012: approximately HK$40.95 million).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

BUSINESS REVIEW

The Company is an investment company pursuant to the Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the year under review, the Group remained principally engaged in investment in listed and unlisted companies, mainly established in the People's Republic of China (the "PRC"), Hong Kong, Macau and Australia.

Thanks to the significant decrease in fair value losses on financial assets at fair value through profit or loss of approximately HK$9.45 million, the loss for the year dropped by HK$17.9 million. During the year, the consolidated statement of profit or loss included the following major items:

(i) the net investment income from securities of approximately HK$3.76 million (2012: HK$0.93 million);

(ii) the interest income on convertible bond of approximately HK$7.03 million (2012: HK$3.71 million); and

(iii) the administrative and other operating expenses of approximately HK$31.33 million (2012: HK$27.32 million), representing an increase of HK$4.01 million. This was mainly attributable to the increase in employee benefit expenses of approximately HK$5.41 million, which included a share-based payment of approximately HK$3.15 million for the share options granted during the year.

PROSPECT

Looking forward, the current economic environment is uncertain due to the recent concerns on the sluggish growth of GDP and the occurrence of corporate bond defaults, both in the PRC. However, certain investors still have positive sentiments toward investment companies, which can provide a diversified investment platform for them.

The Group will continue to implement a diversified investment strategy and identify suitable investment opportunities with potential asset appreciation and/or suitable returns for the Group and shareholders of the Company. Moreover, we will maintain a prudent but proactive investment approach and will closely monitor the performance of our investment portfolio. Upon the regular review and evaluation, appropriate and timely actions will be taken.

Subsequent to the year end date, the Company has successfully raised fund of approximately HK$11,672,700 through a placement of new shares. The management will consider different means of fund-raising to further enhance its capital base. All in all, the management will expand its investment portfolio and improve the corporate performance in the coming financial years.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2013, the Group had cash and cash equivalents of approximately HK$10.10 million (2012: HK$12.64 million). The net current assets for the year ended 31 December 2013 was approximately HK$63.05 million (2012: HK$36.34 million) mainly caused by the reclassification of convertible bond receivable from non-current to current assets. The indebtedness of the Group as at 31 December 2013 was HK$Nil (2012: HK$Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars, Renminbi and Australian dollars. Management of the Group will closely monitor the fluctuation in Renminbi and Australian dollars and take appropriate actions when needed. As at 31 December 2013, the Group does not have any hedging activities its foreign exchange exposure nor does it adopt any formal hedging policies. The Group had not entered into any financial derivatives during the year.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group has not made any material acquisition or disposal during the year under review.

SHARE CAPITAL STRUCTURE

On 18 September 2013, a placing was completed pursuant to the Placing Agreement dated 2 September 2013. The Company issued a total of 59,860,000 ordinary shares with par value of HK$0.01 each at a price of HK$0.20 each. The issued share capital of the Company was thus increased from HK$2,993,000 to HK$3,591,600. The excess of the placement proceeds over the nominal value of share capital issued was credited as share premium. The Company will apply the net proceeds for the general working capital of the Company and potential investments to be identified. Other than this, there was no movement on the share capital of the Company.

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2013, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

HUMAN RESOURCES

As at 31 December 2013, the Company had 22 full time employees, 13 in Hong Kong, 3 in Shenzhen, 3 in Shanghai and 3 in Taiwan.

The Company places high value on the staff as they are the most valuable assets to grow with the Company. The Company encourages the staff to be the best in their roles by providing training in diversified fields and address both personal development and work skills. The Company also provides workshops for staff at different levels to build team spirit and morale. The staff are rewarded based on Company performance as well as their performance and contribution to the Company.

STAFF COSTS

The Company's total staff costs (including directors' emoluments) for the year under review amounted to HK$12.79 million (2012: HK$7.38 million).

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

The Company has not purchased, sold or redeemed any of its own shares during the year ended 31 December 2013.

CORPORATE GOVERNANCE

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

The Board has reviewed the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange and has adopted the same as the Company's own code of corporate governance practices. During the financial year ended 31 December 2013, the Company has complied with all of the provisions under the CG Code except for the following:

Code A.2.1

Since the chairmanship of Mr. Cheung Tung Lan Tony, the ex-chairman of the Company, was removed on 16 May 2012, there was no such position until the Company appointed Dr. Lam Man Chan as a non-executive director and the chairman of the Company with effect from 11 February 2014.

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.5.6

The Board did not formally adopt a policy concerning diversity of the Board members, but the Board is actively considering the adoption of a relevant policy according to the circumstances of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as the codes of conduct regarding securities transactions by Directors.

On specific enquires made, all Directors have confirmed that, in respect of the year ended 31 December 2013, they have complied with the required standard as set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee currently comprises four Independent Non-executive Directors, namely Mr. Ku Siu Fun Alex, Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy 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. Ku Siu Fun Alex 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 2013 (the "Annual Report").

PUBLICATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The results announcement will be published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.irasia.com/listco/hk/opesasia). The 2013 Annual Report will be dispatched to the shareholders and will be made available on the websites of Stock Exchange and the Company in due course.

By Order of the Board
Opes Asia Development Limited
Yang Yongdong
Executive Director

Hong Kong, 20 March 2014

As at the date of this announcement, the executive directors of the Company are Mr. Yang Yongdong and Mr. Choi Wai King; the non-executive directors of the Company are Dr. Lam Man Chan and Mr. Choi Chiu Ming, Jimmy; the independent non-executive directors of the Company are Mr. Ku Siu Fun, Alex, Mr. Tam Yuk Sang, Sammy, Dr. Ng Chi Yeung, Simon and Ms. Florence Ng.

* *For identification purpose only*