



Interim Report
2014

Earnest
Investments Holdings Limited
(Continued into Bermuda with limited liability)
(stock code:339)

CONTENTS

	Pages
Corporate Information	2
Management Discussion and Analysis	3
Other Information	6
Independent Review Report	9
Condensed Interim Financial Statements	
Condensed Statement of Profit or Loss and Other Comprehensive Income	11
Condensed Statement of Financial Position	12
Condensed Statement of Changes in Equity	13
Condensed Statement of Cash Flows	14
Notes to the Condensed Financial Statements	15



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. CHAN Chak Paul

Mr. NGAI Wah Sang

Mr. WANG Daming

Independent Non-executive Directors

Mr. CHAN Francis Ping Kuen

Mr. TAN Yee Boon

Mr. WANG Jia Hua

COMPANY SECRETARY

Ms. CHUI Yee Man

AUDITOR

Messrs. RSM Nelson Wheeler

Certified Public Accountants

REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

PRINCIPAL PLACE OF BUSINESS

Room A,

5/F., Xiu Hua Commercial Building

211-213 Jaffe Road

Wanchai, Hong Kong

STOCK CODE

339

INVESTMENT MANAGER

Success Talent Investments Limited

DIRECTORS OF THE INVESTMENT MANAGER

Mr. LEE Kwok Leung

Mr. CHOI Wai Yin

AUDIT COMMITTEE

Mr. CHAN Francis Ping Kuen

Mr. TAN Yee Boon

Mr. WANG Jia Hua

PRINCIPAL REGISTRAR

Appleby Management

(Bermuda) Limited

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

BRANCH REGISTRAR

Tricor Tengis Limited

Level 22

Hopewell Centre

183 Queen's Road East

Hong Kong

PRINCIPAL BANKER

Hang Seng Bank

Management Discussion and Analysis

The Board of Directors (the “Board”) of Earnest Investments Holdings Limited (the “Company”) is pleased to present the unaudited interim financial results for the six months ended 30 June 2014.

RESULTS

For the six months ended 30 June 2014, the Company’s unaudited profit attributable to owners was approximately HK\$17.5 million (2013: loss of HK\$12.3 million) and basic earnings per share was HK\$0.217 (2013: loss per share of HK\$0.152). As compared to the last corresponding period, both turnover and realised gains on disposals of Hong Kong listed securities have increased significantly; and the net profit recorded for the period was mainly due to the increase in unrealised holding gains of the Company’s investment in Hong Kong listed securities.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: HK\$ Nil).

BUSINESS REVIEW

During the period under review, the Company recorded net unrealised holding gains of approximately HK\$18.6 million on its share portfolio. As a result, the carrying value of the Company’s share portfolio increased to approximately HK\$49.7 million as at 30 June 2014. However, as the Company’s operating results are mostly driven by the Company’s investments in trading securities, its performance will continuously be affected by the prevailing conditions in the global stock market. Therefore, the Company will be cautious in trading securities from time to time and aims to grow its share portfolio.

Management Discussion and Analysis

The Company's portfolio of Hong Kong listed securities as at 30 June 2014 consists of China Dynamics (Holdings) Limited, New Times Energy Corporation Limited, Shougang Concord Century Holdings Limited, Shougang Concord International Enterprises Company Limited, APAC Resources Limited, China Animal Healthcare Limited and China National Building Material Company Limited.

As at 31 December 2013, the Company had investment in an unlisted company, Health Dynamic Limited ("Health Dynamic"), which holds 100% equity interests in Ocean Pharmaceutical (HK) Limited ("Ocean"). Ocean's principal activities are sourcing and trading of dedicated pharmaceutical products specializing in vascular health. During the reporting period, the Company sold its 20% equity interests in Health Dynamic for HK\$600,000 with a loss of HK\$50,000 as Ocean's performance was out of line with the Company's expectation.

As at 30 June 2014, 93% (31 December 2013: 94%) of the Company's total investments consists of a portfolio of Hong Kong listed securities, none (31 December 2013: 2%) in the equity interests of an unlisted company, 1% (31 December 2013: 1%) in other assets, and 6% (31 December 2013: 3%) in cash which was deposited with banks in Hong Kong.

LIQUIDITY AND FINANCIAL RESOURCES

For the period under review, the Company generally financed its operations and investment activities by internal resources. As at 30 June 2014, the net asset value of the Company was HK\$52,763,913 (31 December 2013: HK\$35,223,425) with net asset value per share of HK\$0.65 (31 December 2013: HK\$0.43).

The Company has no significant liabilities. The gearing ratio of the Company, calculated on the basis of the Company's total liabilities over total owners' equity, was 0.010 as at 30 June 2014 (31 December 2013: 0.007).

All the Company's cash and cash equivalents were denominated in Hong Kong dollars as at the end of the reporting period. The Board believes that the Company has minimal exposure to foreign exchange risk.

Management Discussion and Analysis

EMPLOYEES

During the reporting period, the Company did not employ any employees other than the directors of the Company. Total staff costs for the period was HK\$175,680 (2013: HK\$173,760). The Company's remuneration policies are in line with the prevailing market practice.

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2014, no charges had been created on the Company's assets and the Company did not have any significant contingent liabilities.

PROSPECTS

The Company's management will adopt a conservative approach in managing the existing investments in accordance with the Company's investment objectives and policies. However, the Company will continue to identify and capture investment opportunities as and when they arise.

Other Information

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was approved by its shareholders on 26 May 2006. The Scheme constitutes a share option scheme governed by Chapter 17 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the reporting period, no option was granted, exercised, cancelled, or lapsed under the Scheme and there was no outstanding option as at 30 June 2014.

DIRECTORS' INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES

As at 30 June 2014, no share option has been granted to the directors of the Company under the Scheme.

As at 30 June 2014, none of the directors of the Company or their associates had any interest and short position in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, the register of substantial shareholders maintained under Section 336 of the SFO showed that the following shareholders had an interest of 5% or more in the shares and underlying shares of the Company:

Name of shareholder	Number of shares held	Percentage of total in issue as at 30 June 2014
Winsome Worldwide Limited (<i>Note 1</i>)	22,275,000*	27.50%
SIU Kwan (<i>Note 1</i>)	22,275,000 [#]	27.50%
YAU Mei Han	14,051,250*	17.35%
Supreme Zone Investments Limited (<i>Note 2</i>)	11,812,500*	14.58%
XIA Jun (<i>Note 2</i>)	11,812,500 [#]	14.58%

* Beneficial owner

[#] Interest of controlled corporation

Note 1: The 22,275,000 shares were held by Winsome Worldwide Limited which was wholly owned by Ms. SIU Kwan. By virtue of the SFO, Ms. SIU Kwan was deemed to be interested in the 22,275,000 shares.

Note 2: The 11,812,500 shares were held by Supreme Zone Investments Limited which was wholly owned by Mr. XIA Jun. By virtue of the SFO, Mr. XIA Jun was deemed to be interested in the 11,812,500 shares.

All the interests disclosed above represent long position in the ordinary shares of the Company.

Save as disclosed above, no other person had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company neither purchased, sold nor redeemed any of its listed securities.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules. The Company has complied with the code provisions during the six months ended 30 June 2014.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions by its directors. All the directors of the Company have confirmed in writing that they have complied with the required standards as set out in the Model Code throughout the reporting period.

AUDIT COMMITTEE

The Audit Committee of the Company, with its terms of reference established in accordance with the Code, comprises three independent non-executive directors, Mr. CHAN Francis Ping Kuen, Mr. TAN Yee Boon and Mr. WANG Jia Hua. The Committee has reviewed the accounting principles and practices adopted by the Company and in the course has discussed with management the internal controls and financial reporting matters related to the preparation of the unaudited condensed financial statements for the six months ended 30 June 2014.

Independent Review Report



TO THE BOARD OF DIRECTORS OF EARNEST INVESTMENTS HOLDINGS LIMITED

(Continued into Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 24 which comprises the condensed statement of financial position of the Company as at 30 June 2014 and the related condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six-month period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Review Report

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong

27 August 2014

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2014

(Unaudited)

Six months ended 30 June

	Note	2014 HK\$	2013 HK\$
Turnover	5	12,492,099	4,595,137
Revenue	5	1,559	1,897
Realised loss on disposal of available-for-sale financial assets		(50,000)	–
Realised gains on disposal of financial assets at fair value through profit or loss		842,540	6,440
Net unrealised holding gains/(losses) from financial assets at fair value through profit or loss		18,582,640	(11,089,325)
Administrative and other operating expenses		(1,365,544)	(1,203,612)
Profit/(loss) before tax		18,011,195	(12,284,600)
Income tax expense	6	(470,707)	–
Profit/(loss) for the period attributable to owners of the Company	7	17,540,488	(12,284,600)
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period attributable to owners of the Company		17,540,488	(12,284,600)
Earnings/(loss) per share			
Basic	10	0.217	(0.152)

Condensed Statement of Financial Position

At 30 June 2014

	Note	(Unaudited) 30 June 2014 HK\$	(Audited) 31 December 2013 HK\$
Non-current assets			
Available-for-sale financial assets	11	–	650,000
Current assets			
Financial assets at fair value through profit or loss	12	49,711,590	33,122,350
Prepayments, deposits and other receivables		242,762	332,310
Bank and cash balances		3,356,613	1,370,944
		53,310,965	34,825,604
Current liabilities			
Accruals and other payables		76,345	252,179
Net current assets			
		53,234,620	34,573,425
Total assets less current liabilities			
		53,234,620	35,223,425
Non-current liabilities			
Deferred tax liabilities		470,707	–
NET ASSETS			
		52,763,913	35,223,425
Capital and reserves attributable to owners of the Company			
Share capital	13	1,620,000	1,620,000
Reserves		51,143,913	33,603,425
TOTAL EQUITY			
		52,763,913	35,223,425
Net asset value per share			
	14	0.65	0.43

Condensed Statement of Changes in Equity

For the six months ended 30 June 2014

(Unaudited)

	Share capital HK\$ <i>(note 13)</i>	Share premium account HK\$	Contributed surplus account HK\$	Retained profits/ (accumulated losses) HK\$	Total equity HK\$
At 1 January 2013	1,620,000	5,760,000	28,040,011	6,213,213	41,633,224
Total comprehensive income and changes in equity for the period	-	-	-	(12,284,600)	(12,284,600)
At 30 June 2013	1,620,000	5,760,000	28,040,011	(6,071,387)	29,348,624
At 1 January 2014	1,620,000	5,760,000	28,040,011	(196,586)	35,223,425
Total comprehensive income and changes in equity for the period	-	-	-	17,540,488	17,540,488
At 30 June 2014	1,620,000	5,760,000	28,040,011	17,343,902	52,763,913

Condensed Statement of Cash Flows

For the six months ended 30 June 2014

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Net cash generated from/(used in) operating activities	1,985,669	(1,342,165)
Net increase/(decrease) in cash and cash equivalents	1,985,669	(1,342,165)
Cash and cash equivalents at 1 January	1,370,944	5,411,654
Cash and cash equivalents at 30 June		
Representing bank and cash balances	3,356,613	4,069,489

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

1. CORPORATE INFORMATION

The Company was continued into Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal place of business is Room A, 5/F., Xiu Hua Commercial Building, No. 211-213 Jaffe Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment and trading of listed and unlisted companies.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These condensed interim financial statements should be read in conjunction with the Company's 2013 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2013.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Company has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to its operations and effective for its accounting period beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Company's accounting policies, presentation of the Company's financial statements and amounts reported for the current period and prior years.

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

The Company has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Company's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Company's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The recurring fair value measurements of the Company's financial assets at fair value through profit and loss are using the Level 1 of the fair value hierarchy.

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

5. REVENUE AND TURNOVER

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Dividend income from listed investments	1,449	1,398
Bank interest income	110	499
Revenue	1,559	1,897
Proceeds from disposal of available-for-sale financial assets	600,000	–
Proceeds from disposal of financial assets at fair value through profit or loss	11,890,540	4,593,240
Turnover	12,492,099	4,595,137

No segment information is presented as all of the turnover and revenue, contribution to operating results, assets and liabilities of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong and the People's Republic of China (the "PRC").

6. INCOME TAX EXPENSE

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Deferred tax	470,707	–

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

6. INCOME TAX EXPENSE (CONT'D)

No provision for Hong Kong Profits Tax has been made in the financial statements since the Company has sufficient tax losses brought forward to set off against current period's assessable profit.

No provision for Hong Kong Profits Tax for the six months ended 30 June 2013 was required because the Company did not generate any assessable profits for that period.

7. PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Company's profit/(loss) for the period attributable to owners of the Company is stated after charging the following:

	(Unaudited)	
	Six months ended 30 June	
	2014	2013
	HK\$	HK\$
Investment management fee (<i>Note 8</i>)	180,000	180,000
Directors' remuneration	175,680	173,760
Operating lease charges – land and buildings	78,000	78,000

8. CONNECTED PARTY TRANSACTIONS

During the period, the Company paid management fee of HK\$180,000 (2013: HK\$180,000) pursuant to an investment management agreement entered into between the Company and Success Talent Investments Limited as investment manager for a term of three years from 26 July 2012 with a management fee of HK\$30,000 per month payable monthly in arrears. The investment manager is deemed as a connected person of the Company under Rule 21.13 of the Listing Rules.

9. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$17,540,488 (2013: loss of HK\$12,284,600) and the number of ordinary shares of 81,000,000 (2013: 81,000,000) in issue during the period.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2014 and 2013.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	(Unaudited) 30 June 2014 HK\$	(Audited) 31 December 2013 HK\$
Unlisted securities, at cost		
Equity securities – Hong Kong	–	4,000,000
Less: Accumulated impairment	–	(3,350,000)
	–	650,000

As at 31 December 2013, the unlisted securities was stated at cost as they did not have a quoted market price in an active market and their fair values cannot be reliably measured.

As at 31 December 2013, the Company's investment in Health Dynamic Limited ("Health Dynamic") with 20% attributable equity interests held was classified as available-for-sale financial assets. This company was not treated as an associate because the Company was not in a position to exercise any significant influence over the financial and operating policies of this company or to participate in its operations.

During the period, the Company disposed of its equity interest in Health Dynamic at a cash consideration of HK\$600,000 and realised a loss on disposal of available-for-sale financial assets of HK\$50,000.

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 June 2014 HK\$	(Audited) 31 December 2013 HK\$
Equity securities listed in Hong Kong, at cost	28,672,299	29,991,691
Net unrealised holding gains	21,039,291	3,130,659
	49,711,590	33,122,350

The fair values of the listed securities are based on quoted market prices.

Particulars of the Company's financial assets at fair value through profit or loss as at 30 June 2014 are as follows:

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Unrealised holding gains/(losses) HK\$	Dividend income received during the period HK\$	Dividend cover	Net assets attributable to the Company HK\$
(a) APAC Resources Limited ("APAC Resources")	Bermuda	220,000	Less than 1%	363,400	37,620	(325,780)	-	N/A	127,329
(b) China Dynamics (Holdings) Limited ("China Dynamics") (formerly known as Sinocop Resources (Holdings) Limited)	Bermuda	48,265,000	1.72%	5,532,939	48,265,000	42,732,061	-	N/A	53,537,010
(c) New Times Energy Corporation Limited ("New Times Energy")	Bermuda	650,000	Less than 1%	20,150,000	273,000	(19,877,000)	-	N/A	2,199,501
(d) Shougang Concord International Enterprises Company Limited ("Shougang International")	Hong Kong	24,000	Less than 1%	15,120	8,280	(6,840)	-	N/A	18,223
(e) Shougang Concord Century Holdings Limited ("Shougang Century")	Hong Kong	3,314,000	Less than 1%	2,387,560	911,350	(1,476,210)	-	N/A	3,662,744
(f) China National Building Material Company Limited ("CNBM")	The PRC	8,000	Less than 1%	69,680	54,640	(15,040)	1,449	6.69	66,701
(g) China Animal Healthcare Limited ("China Animal Health")	Bermuda	30,000	Less than 1%	153,600	161,700	8,100	-	N/A	31,507
				28,672,299	49,711,590	21,039,291	1,449		

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

A brief description of the business and financial information of the listed investee companies, based on their published annual and interim reports, is as follows:

- (a) APAC Resources is principally engaged in trading of commodities; and trading and investment of listed securities. The audited consolidated loss attributable to owners of APAC Resources for the year ended 30 June 2013 was approximately HK\$2,079,687,000 (2012 (restated): HK\$242,967,000). As at 30 June 2013, the audited consolidated net asset value attributable to owners of APAC Resources was approximately HK\$2,258,633,000 (2012 (restated): HK\$4,641,815,000). The unaudited consolidated profit attributable to owners of APAC Resources for the six months ended 31 December 2013 was approximately HK\$1,316,017,000 (2012: HK\$81,567,000). As at 31 December 2013, the unaudited consolidated net asset value attributable to owners of APAC Resources was approximately HK\$3,548,964,000 (2012: HK\$4,760,391,000).
- (b) China Dynamics is principally engaged in trading of metals and minerals, processing of raw ores and carrying out new energy businesses. The audited consolidated loss attributable to owners of China Dynamics for the year ended 31 March 2014 was approximately HK\$35,986,000 (2013: HK\$23,209,000). As at 31 March 2014, the audited consolidated net asset value attributable to owners of China Dynamics was approximately HK\$3,107,783,000 (2013: HK\$135,570,000).
- (c) New Times Energy is principally engaged in (i) trading of oil products; (ii) oil exploration and productions; (iii) distribution of natural gas; and (iv) exploration of nature resources. The audited consolidated profit attributable to owners of New Times Energy for year ended 31 December 2013 was approximately HK\$3,771,000 (2012: loss of HK\$39,917,000). As at 31 December 2013, the audited consolidated net asset value attributable to owners of New Times Energy was approximately HK\$3,985,746,000 (2012: HK\$3,839,347,000).

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

- (d) Shougang International is principally engaged in (i) manufacture and sale of steel products; (ii) leasing of floating cranes; (iii) trading of steel products, iron ore, coal and coke; (iv) mining, processing and sale of iron ore; and (v) management services business. The audited consolidated loss attributable to owners of Shougang International for the year ended 31 December 2013 was approximately HK\$1,395,502,000 (2012: HK\$1,947,206,000). As at 31 December 2013, the audited consolidated net asset value attributable to owners of Shougang International was approximately HK\$6,801,786,000 (2012: HK\$8,093,220,000).
- (e) Shougang Century is principally engaged in (i) manufacturing of steel cords; and (ii) processing and trading of copper and brass products. The audited consolidated loss attributable to owners of Shougang Century for the year ended 31 December 2013 was approximately HK\$16,590,000 (2012: HK\$299,686,000). As at 31 December 2013, the audited consolidated net asset value attributable to owners of Shougang Century was approximately HK\$2,125,254,000 (2012: HK\$2,064,550,000).
- (f) CNBM is principally engaged in (i) production and sale of cement, lightweight building materials, glass fibre and composite materials; (ii) provision of engineering services to glass and cement manufacturers and equipment procurement; and (iii) merchandise trading business and equipment procurement. The audited consolidated profit attributable to owners of CNBM for the year ended 31 December 2013 was approximately HK\$7,361,921,000 (2012: HK\$6,836,127,000). As at 31 December 2013, the audited consolidated net asset value attributable to owners of CNBM was approximately HK\$45,284,381,000 (2012: HK\$37,924,947,000). The unaudited consolidated profit attributable to owners of CNBM for the six months ended 30 June 2014 was approximately HK\$2,263,471,000 (2013: HK\$1,710,611,000). As at 30 June 2014, the unaudited consolidated net asset value attributable to owners of CNBM was approximately HK\$45,015,243,000 (2013: HK\$39,040,046,000).

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

- (g) China Animal Health is principally engaged in (i) research, development and manufacture and sales of animal drugs; and (ii) provision of technical services and consultation relating to animal drugs. The audited consolidated profit attributable to owners of China Animal Health for the year ended 31 December 2013 was approximately HK\$238,078,000 (2012: HK\$129,784,000). As at 31 December 2013, the audited consolidated net asset value attributable to owners of China Animal Health was approximately HK\$2,389,135,000 (2012: HK\$1,416,280,000). The unaudited consolidated profit attributable to owners of China Animal Health for the six months ended 30 June 2014 was approximately HK\$163,150,000 (2013: HK\$76,365,000). As at 30 June 2014, the unaudited consolidated net asset value attributable to owners of China Animal Health was approximately HK\$2,064,751,000 (2013: HK\$1,716,347,000).

13. SHARE CAPITAL

	(Unaudited) 30 June 2014 HK\$	(Audited) 31 December 2013 HK\$
Authorised:		
1,000,000,000 ordinary shares of HK\$0.02 each	20,000,000	20,000,000
Issued and fully paid:		
81,000,000 ordinary shares of HK\$0.02 each	1,620,000	1,620,000

During the six months ended 30 June 2014 and 2013, no option was granted, exercised, cancelled or lapsed under the share option scheme of the Company. There were no outstanding share options as at 30 June 2014 and 31 December 2013.

Notes to the Condensed Financial Statements

For the six months ended 30 June 2014

14. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Company as at 30 June 2014 of HK\$52,763,913 (31 December 2013: HK\$35,223,425) and the number of ordinary shares of 81,000,000 (31 December 2013: 81,000,000) in issue as at that date.

15. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on 27 August 2014.