JIANGNAN GROUP LIMITED
江南集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1366)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 25.9% to RMB8,154.6 million (2013: RMB6,477.3 million)
- Gross profit increased by approximately 27.1% to RMB1,271.2 million (2013: RMB1,000.4 million)
- Profit for the year attributable to owners of the Company increased by approximately 24.3% to RMB626.0 million (2013: RMB503.5 million)
- Basic earnings per share increased by approximately 20.8% to RMB19.77 cents (2013: RMB16.36 cents)
- The Board recommended a final dividend of HK3.7 cents per share (2013: HK3.3 cents)

The board (the "Board") of directors (the "Directors") of Jiangnan Group Limited ("Jiangnan" or the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 together with the audited comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Turnover	3	**8,154,555**	6,477,302
Cost of goods sold		**(6,883,326)**	(5,476,949)
Gross profit		**1,271,229**	1,000,353
Other income	4	**58,442**	27,039
Selling and distribution costs		**(134,999)**	(109,967)
Administrative expenses		**(147,993)**	(132,553)
Other expenses		**(23,491)**	(17,507)
Other gains and losses		**(21,450)**	(5,613)
Gain on bargain purchase		**–**	42,326
Share of loss of associates		**(1,544)**	(3,492)
Finance costs		**(242,055)**	(195,279)
Profit before taxation	5	**758,139**	605,307
Taxation	6	**(132,123)**	(101,784)
Profit for the year attributable to owners of the Company		**626,016**	503,523
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of a foreign operation		**(4,546)**	(10,887)
Total comprehensive income for the year attributable to owners of the Company		**621,470**	492,636
Earnings per share			
— Basic	8	**RMB19.77 cents**	RMB16.36 cents
— Diluted		**RMB19.77 cents**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	**2014** **RMB'000**	2013 RMB'000
Non-current assets			
Property, plant and equipment	*9*	**601,990**	632,910
Land use rights		**203,939**	207,706
Interest in associates		**14,650**	15,188
Loan to an associate		**25,179**	30,369
Available-for-sale investment		**2,500**	2,500
Deferred tax assets		**5,072**	6,559
Deposit paid for acquisition of property, plant and equipment		**16,188**	1,260
		869,518	896,492
Current assets			
Inventories	*10*	**2,168,635**	1,842,221
Trade and other receivables	*11*	**2,708,697**	2,328,373
Pledged bank deposits		**1,304,504**	807,642
Bank balances and cash		**1,666,153**	1,682,558
		7,847,989	6,660,794
Current liabilities			
Trade and other payables	*12*	**2,409,990**	2,223,165
Amounts due to directors		**4,000**	3,701
Bank borrowings	*13*	**2,922,221**	2,922,136
Taxation payable		**78,364**	54,376
Obligation under a finance lease		**210**	–
		5,414,785	5,203,378
Net current assets		**2,433,204**	1,457,416
Total assets less current liabilities		**3,302,722**	2,353,908
Non-current liabilities			
Government grants		**10,187**	4,447
Deferred tax liabilities		**62,297**	63,805
Obligation under a finance lease		**372**	–
		72,856	68,252
		3,229,866	2,285,656
Capital and reserves			
Share capital	*14*	**27,364**	24,964
Reserves		**3,202,502**	2,260,692
		3,229,866	2,285,656

NOTES:

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate and ultimate holding company of the Company is Power Heritage Group Limited ("Power Heritage"), a company which is incorporated in the British Virgin Islands ("BVI").

The principal activity of the Company is to act as an investment holding company. Its subsidiaries are engaged in the manufacture of and trading in wires and cables.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

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

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)–INT 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on 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:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[3]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 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 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 (e.g. the Group's equity investment that is currently classified as available-for-sale investment may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). It is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. TURNOVER AND SEGMENT INFORMATION

The information of segment results are as follows:

	2014	2013
	RMB'000	*RMB'000*
Revenue		
— power cables	**5,415,676**	4,239,666
— wires and cables for electrical equipment	**1,592,510**	1,513,652
— bare wires	**464,286**	348,122
— rubber cables	**682,083**	375,862
	8,154,555	6,477,302
Cost of goods sold		
— power cables	**4,519,992**	3,529,243
— wires and cables for electrical equipment	**1,412,508**	1,360,743
— bare wires	**420,389**	304,363
— rubber cables	**530,437**	282,600
	6,883,326	5,476,949
Segment results		
— power cables	**895,684**	710,423
— wires and cables for electrical equipment	**180,002**	152,909
— bare wires	**43,897**	43,759
— rubber cables	**151,646**	93,262
	1,271,229	1,000,353

The reportable segment results are reconciled to profit before taxation of the Group as follows:

	2014	2013
	RMB'000	*RMB'000*
Reportable segment results	**1,271,229**	1,000,353
Unallocated corporate incomes	**58,442**	69,365
Unallocated corporate expenses	**(329,477)**	(269,132)
Finance costs	**(242,055)**	(195,279)
Profit before taxation	**758,139**	605,307

As no discrete information in respect of segment assets, segment liabilities and other information is used for the assessment of performance and allocation of resources of different reportable segments, thus, other than reportable segment revenue and segment results as disclosed above, no analysis of segment assets and segment liabilities is presented.

Other information

Turnover by geographical location of customers is presented as follows:

	2014	2013
	RMB'000	*RMB'000*
Turnover		
— People's Republic of China (the "PRC") (country of domicile)	**7,796,686**	6,088,424
— Singapore	**214,321**	196,059
— South Africa	**96,988**	84,697
— Ethiopia	**18,673**	–
— United Kingdom	**16,456**	–
— South America	**9,720**	12,760
— Macau	**1,436**	1,878
— Australia	**275**	141
— Vietnam	**–**	86,846
— United States	**–**	5,330
— Laos	**–**	1,167
	8,154,555	6,477,302

The Group mainly operates in two principal geographical areas — the PRC (excluding Hong Kong) and South Africa. At 31 December 2014, approximately 96.9% (2013: 96.0%) of the Group's non-current assets were located in the PRC (the place of domicile).

Information about major customers

No customer contributed over 10% of the total sales of the Group during both years.

4. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Interest income	**41,000**	20,930
Government subsidies *(Note)*	**13,412**	1,886
Others	**4,030**	4,223
	58,442	27,039

Note: Included in the amount are RMB927,000 (2013: RMB440,000) and RMB1,333,000 (2013: nil) representing deferred income on government subsidies recognised during the year in relation to capital expenditure on property, plant and equipment over the useful lives of the related assets and technological research and development projects over the project lives, respectively. The remaining amount represents the incentive subsidies provided by the PRC local authorities to the Group to encourage business development in the Yixing region and research and energy reduction activities conducted by the Group, all of them had no specific conditions attached.

5. PROFIT BEFORE TAXATION

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Directors' remuneration	**3,342**	3,387
Other staff cost:		
Salaries and other benefits	**133,801**	114,167
Contributions to retirement benefit scheme	**18,103**	14,509
Total staff costs	**155,246**	132,063
Less: Staff costs included in research and development costs	**(11,689)**	(10,352)
	143,557	121,711
Depreciation of property, plant and equipment	**56,449**	47,528
Less: Depreciation included in research and development costs	**(2,871)**	(1,797)
	53,578	45,731
Allowance for bad and doubtful debts (included in other gains and losses)	**21,000**	5,562
Auditor's remuneration	**2,550**	2,315
Cost of inventories recognised as expenses	**6,883,326**	5,476,949
Acquisition-related costs (included in other expenses)	**–**	685
Loss on disposal of property, plant and equipment (included in other gains and losses)	**450**	51
Minimum lease payment under operating lease in respect of property	**3,947**	951
Operating lease rentals in respect of land use rights	**5,283**	3,353
Research and development costs (included in other expenses)	**23,491**	16,822

6. TAXATION

	2014	2013
	RMB'000	*RMB'000*
The charge comprises:		
PRC income tax	**132,144**	92,559
South Africa corporate tax	**–**	30
Deferred taxation	**(21)**	9,195
Taxation charge for the year	**132,123**	101,784

The PRC income tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onward. Pursuant to the approval published on the website of the Yixing Provincial Commission of Science and Technology, Wuxi Jiangnan Cable Co., Ltd. ("Jiangnan Cable") was endorsed as a High and New Technology Enterprise on 4 March 2009 (renewed on 21 May 2012) and was entitled to a reduced PRC income tax rate of 15% till next renewal in 2015. Jiangsu Zhongmei Cable Group Co., Ltd. ("Zhongmei Cable") was also entitled to a reduced PRC income tax rate of 15% till next renewal in 2017.

Taxation arising in South Africa is calculated at the rate prevailing in South Africa. South Africa corporate tax is calculated at 28% of the assessable profit during the both years.

Dividend distributed to foreign investors out of the profit generated for 1 January 2008 onwards shall be subject to EIT at 10% and withheld by the PRC entity, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Details Implementation Rules in the PRC. According to the Tax Arrangement for Avoidance of Double Taxation between China and Hong Kong (China-HK TA), a Hong Kong resident company should be entitled to preferential tax rate of 5% when receiving dividend from its PRC subsidiary.

No provision for Hong Kong Profits Tax is provided in the consolidated financial statements as the Group did not have assessable profit in Hong Kong during both years.

7. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2014 Interim dividend — HK2.5 cents (2013: 2013 Interim dividend HK1.4 cents) per share	**60,739**	34,137
2013 Final dividend — HK3.3 cents (2013: 2012 Final dividend of HK2.2 cents) per share	**80,175**	53,640
	140,914	87,777

Subsequent to the end of the reporting period, a final dividend of HK3.7 cents in respect of the year ended 31 December 2014 (2013: HK3.3 cents) per share has been proposed by the Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company for the purpose of basic and diluted earnings per share	**626,016**	503,523
Number of Shares		
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share	**3,166,317,014**	3,077,200,000

The computation of diluted earnings per share does not assume the exercise of the Company's warrants because the exercise price of those warrants was higher than the average market price of the shares of the Company for the year ended 31 December 2014.

No diluted earnings per share was presented as there was no potential ordinary share during the year ended 31 December 2013.

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2014, the Group incurred the following capital expenditures on property, plant and equipment:

	2014 *RMB'000*	2013 *RMB'000*
Buildings	**48**	317
Plant and machinery	**7,350**	11,513
Motor vehicles	**9,063**	1,872
Furniture, fixtures and equipment	**1,789**	1,929
Construction in progress	**10,018**	14,577
Total	**28,268**	30,208

The Group's buildings are erected on land held under medium-term land used rights in the PRC.

As at 31 December 2014, the Group pledged certain of its buildings and machinery with carrying value of RMB108,936,000 and RMB112,052,000, respectively, (2013: RMB120,944,000 and RMB73,108,000, respectively) to certain banks to secure credit facilities granted to the Group.

During the year ended 31 December 2014, nil interest expenses (2013: RMB5,403,000) have been capitalised.

10. INVENTORIES

	2014 *RMB'000*	2013 *RMB'000*
Raw materials	**88,402**	88,962
Work in progress	**1,236,943**	965,589
Finished goods	**843,290**	787,670
	2,168,635	1,842,221

At 31 December 2014, the Group pledged certain of its inventories with an aggregate carrying value of RMB315,000,000 (2013: RMB398,340,000) to certain banks to secure credit facilities granted to the Group.

11. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables, net	**2,395,729**	2,005,593
Bills receivable	**233,472**	255,017
	2,629,201	2,260,610
Current portion of land use rights	**5,281**	5,281
Deposits paid to suppliers	**7,810**	4,490
Prepayments	**13,298**	6,946
Staff advances	**4,933**	5,549
Tender deposits	**40,737**	38,411
VAT tax receivables	**150**	983
Other receivables	**7,287**	6,103
	2,708,697	2,328,373

The Group normally allows a credit period ranging from 30 to 180 days to its trade customers.

The following is an aged analysis of trade receivables, net of allowance for bad and doubtful debts, and bills receivable based on the invoice date at the end of the reporting period:

	2014	2013
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,661,286**	1,651,488
91 to 180 days	**673,807**	460,177
181 to 365 days	**259,001**	84,824
Over 365 days	**35,107**	64,121
	2,629,201	2,260,610

Included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of RMB1,076,518,000 (31 December 2013: RMB786,122,000) at 31 December 2014, which are past due at the end of the reporting period for which the Group has not provided for impairment loss. At the end of each reporting period, the management will individually assess the recoverability of its trade debtors and consider whether any amounts are individually impaired and provided for impairment loss. Except for those trade debts that considered to be individually impaired, the remaining trade and bills receivables that are past due but not impaired, in the opinion of the management, are recoverable as there has been continuing settlement from these customers. The Group does not hold any collateral over these balances.

At 31 December 2014, trade receivables of RMB158,218,000 (2013: RMB15,995,000) have been discounted to the banks with recourse. Accordingly, the Group continues to include these discounted receivables and has recognised the cash received as bank borrowing with the same amount until maturity.

12. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payable	**480,408**	601,521
Bills payable	**1,512,183**	1,136,843
	1,992,591	1,738,364
Payroll and welfare accruals	**69,149**	55,159
Receipt in advance from customers	**244,493**	230,245
Consideration payable	**–**	77,925
Construction work payables	**12,300**	12,300
Other tax payables	**21,357**	33,502
Other deposits	**398**	770
Other payables and accruals	**69,702**	74,900
	2,409,990	2,223,165

The Group normally receives credit terms ranging form 30 to 90 days from its suppliers. The following is an aged analysis of trade and bills payables based on the invoice date at the end of the reporting period:

	2014	2013
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,844,527**	1,549,514
91 to 180 days	**121,705**	178,916
181 to 365 days	**11,220**	6,131
Over 1 year	**15,139**	3,803
	1,992,591	1,738,364

13. BANK BORROWINGS

	2014	2013
	RMB'000	*RMB'000*
Secured	**576,962**	442,948
Secured and guaranteed by a director of the Company	**32,000**	32,000
Secured and guaranteed by independent third parties	**427,000**	60,000
Unsecured	**460,669**	91,000
Unsecured and guaranteed by a director of the Company	**–**	242,800
Unsecured and guaranteed by independent third parties	**1,425,590**	2,053,388
	2,922,221	2,922,136

All bank borrowings were repayable within one year at 31 December 2014 and 31 December 2013.

14. SHARE CAPITAL

Movements in the authorised and issue share capital of the Company are as follows:

	Number of shares	Amount in HK$	Shown in financial statements as RMB'000
Ordinary shares at HK$0.01 each			
Authorised:			
At 1 January 2013, 31 December 2013 and 31 December 2014	10,000,000,000	100,000,000	
Issued and fully paid:			
At 1 January 2013 and 31 December 2013	3,077,200,000	30,772,000	24,964
Issue of shares *(note a)*	317,950,000	3,179,500	2,515
Shares re-purchased and cancelled *(note b)*	(14,570,000)	(145,700)	(115)
At 31 December 2014	3,380,580,000	33,805,800	27,364

Notes:

(a) On 11 September 2014, the Company entered into a subscription agreement pursuant to which the Company conditionally agreed to allot and issue 317,950,000 shares of HK$0.01 each of the Company ("Subscription Shares") to not less than six subscribers. The investors conditionally agreed to subscribe for 317,950,000 Subscription Shares in cash at a subscription price of HK$1.95 per Subscription Share. Completion of the subscription took place on 19 September 2014 and the Company received gross proceeds from issue of such Subscription Shares of RMB490,546,000 (approximately HK$620,003,000). Expenses directly incurred for the issue of shares amounting to RMB10,335,000 (approximately HK$13,062,000) were recognised in equity.

(b) During the year ended 31 December 2014, 14,570,000 shares of HK$0.01 each of the Company were re-purchased at a total consideration of RMB17,757,000 (approximately HK$22,360,000). The re-purchase price was ranging from HK$1.39 to HK$1.62 for each share.

(c) On 22 April 2014, the Company issued 150,000,000 warrants at HK$0.01 per warrant to six subscribers. The warrants entitle the holders thereof to subscribe in cash up to an aggregate amount of RMB204,000,000 (approximately HK$255,000,000) for shares of the Company, and each warrant will carry the right to subscribe for one share of the Company at an initial subscription price of RMB1.36 (approximately HK$1.70) per share for a period of two years commencing from 23 April 2014.

15. CAPITAL COMMITMENT

	2014	2013
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**16,053**	13,927

16. CONTINGENT LIABILITIES

As at 31 December 2014, neither the Group nor the Company had any significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

For the year ended 31 December 2014, the Group's revenue recorded RMB8,154.6 million, representing an increase of approximately 25.9% as compared with the same period in 2013 and profit for the year attributable to owners of the Group amounted to RMB626.0 million, representing an increase of approximately 24.3% as compared with the same period in 2013. The Group's gross profit margin for the year ended 31 December 2014 maintained at approximately 15.6% (2013: 15.4%). Basic earnings per share for the year under review was RMB19.77 cents (2013: RMB16.36 cents), representing an increase of approximately 20.8%.

Market Review and Business Review

In 2014, the State's vigorous development of power grid and renewable energy cable market maintained its good momentum of growth. During the year, the investment made by the State Grid Corporation of China ("SGCC") hit a historical high, reaching RMB385.5 billion. Encouraging achievement on construction of ultra-high voltage ("UHV") grid transmission lines, urban power grid network, rural power grid and smart grid were made. The Group's power cables which were used for the above construction remained as the main source of revenue in 2014, and accounted for approximately 66.4% of the total revenue.

In early 2014, the PRC government leaders emphasised in many occasions that the development of UHV inter-provincial power transmission lines were one of the important means to cure the haze issue of the PRC. As a result, the UHV grid construction by SGCC accelerated significantly. During the ten years between 2004 and 2013, only four UHV lines were constructed and put into operation by the grid corporations in the PRC, while in one year in 2014, three additional "one AC, two DC (一交兩直)" UHV lines were put into operation by SGCC, namely Zhejiang-Fuzhou UHV AC line, South Hami-Zhengzhou UHV DC line and Xiluodu-West Zhejiang UHV DC line. In short, there are "three AC, four DC (三交四直)" lines in operation and the construction of three new UHV lines have officially commenced as at 31 December 2014.

Apart from the promotion of UHV grid construction, in 2014, SGCC also invested RMB8.47 billion to solve the connection problem for 870,000 people without electricity supply. For instance, the Tibet Networking Project was completed and put into operation. Furthermore, SGCC invested RMB13.03 billion in 2014 to solve the "low voltage" problem for 3.36 million households.

As for smart grid construction, SGCC aimed to build strong smart grid in order to promote the sustainable energy development. By continuously push forward the construction of a new generation smart transformation station expansion demonstration project, significant breakthrough was made in core technology aspects such as overall integrated design, smart equipment manufacturing and testing as well as modular construction, which helps enhance the intelligentization level of transformation station. The Group committed to reinforce its sales to grid corporations, which aligns with SGCC's development. It is also a key driver for the growth of the Groups' revenue.

Renewable energy development is closely connected to the construction of UHV transmission grid lines. In the past, there was always a geographical uneven distribution of electricity between renewable energy supply regions and power consumption areas in the PRC. Renewable energy generation bases such as Inner Mongolia and Xinjiang were with over supply of electricity that could not be fully digest locally. Even worse, such excess electricity was not able to connect to the central grid causing lots of "abandon wind and discard light" problems. With the vigorous development of UHV grid, renewable energy development was therefore able to break through the bottleneck. In 2014, the cumulative installed capacity of photovoltaic power connected to grid for the year was 28.05 gigawatt, representing a year-on-year increase of 60%. The cumulative installed capacity of wind power connected to grid for the year 2014 amounted to 96.37 gigawatt, representing a year-on-year increase of 25%. In the meantime, the "abandon wind and discard light" problem was alleviated. During 2014, the Group recorded growth in sales of cables for renewable energy.

In 2014, large-scale infrastructure construction was undergone in the PRC. As for railway construction, National Development and Reform Commission ("NDRC") raised its investment budget three times during the year under review. In 2014, railway construction completed with a total investment sum of RMB808.8 billion and a total length of 8,427 km, setting a historical record high. So far, the cumulative distance of PRC's railway in operation has reached 112,000 km, of which high speed rail accounted for 16,000 km. Urban rails were built in 22 cities throughout the PRC as at 31 December 2014 and there are more cities will have urban rails.

Except for railway and urban rails, 2014 had witnessed a considerable growth in the infrastructures relating to public consumption in the PRC. Infrastructure relating to public consumption are infrastructure that directly related to citizens' consumption and products with public nature such as high speed rail, railway, urban infrastructure, disaster prevention and protection, rural waste and sewage treatment, improvement of air quality and the construction of public indemnificatory housing. In 2014, according to the data of the Ministry of Water Resources, investment in water conservancy projects amounted to RMB488.1 billion, of which RMB162.7 billion was made by the central government, both representing an increase of 11% over 2013. In the same year, an investment of RMB1,200 billion was injected into the indemnificatory housing. The development of infrastructures relating to public consumption in the PRC became a catalyst of the Group's revenue. During the year ended 31 December 2014, the Group had supplied cables to projects relating to public consumption infrastructure construction.

As a whole, power grid and power construction, railway and urban rails, as well as other infrastructures related to public consumption in the PRC did contribute to the Group's growth in 2014.

For overseas sales, the Group's products had been exported to more than 50 countries and regions around the world. In the second half of 2014, the Group successfully renewed a five-year supply contract with Eskom Holdings Limited in South Africa with a total amount of 2.4 billion South African Rand. Leveraging on its stable delivery capacity and comprehensive product mix, the Group deepened its cooperation with its Singapore customer, PowerWorks Pte. Limited.

The year 2014 had been a year of stable development for the cable industry. However, it was a tough year for some cable manufacturers. Firstly, the industry pricing standard for cable products is based on cost plus while the major raw material of cable products is copper. During the year under review, the average copper price of spot copper quoted on London Metal Exchange was USD6,900 per tonne, representing a year-on-year decrease of 6.37% as compared to 2013. Consequently, unit price of most products decreased, making small and medium-sized cable manufacturers, whose market shares were declining, even worse. Secondly, with the resolute anti-corruption measures being carried out nationwide, large state-owned enterprises implemented central bidding and enhanced the publicity of information so as to secure "sunshine procurement". The tender documents required for comprehensive, thorough and detail information to address the tender specifications. Therefore, sizeable enterprises with better overall capability such as the Group would prevail in the tendering process.

Small and medium-sized cable manufacturers were hard hit due to the above factors, which accelerated consolidation in the industry. Consequently, large cable manufacturers like the Group can attract high caliber individuals and seize larger market share. This also accounted for the Group's growth in 2014.

Turnover

Sales of power cables, the Group's principal products in 2014 recorded continuous growth with turnover of RMB5,415.7 million, and increase of approximately 27.7% (2013: RMB4,239.7 million) and accounting for approximately 66.4% of the Group's total turnover. The sales volume for power cables increased from 69,701 km in 2013 to 105,120 km in 2014 or an increase of approximately 50.8%. The increase in sales volume was partly attributable to the increase in sales of power cables by Jiangsu Zhongmei Cable Co. Ltd. ("Zhongmei Cable"), the principal operating arm of a subsidiary the Group acquired in July 2013, and partly due to the Group's market oriented sales strategy adopted in 2014 which was able to capture market consolidation opportunities by taking up market shares of smaller peers during difficult operating environment in the PRC. The average selling price of power cables dropped from approximately RMB60,826 per km in 2013 to approximately RMB51,519 per km in 2014 which was mainly attributable to the decline of average copper price in 2014.

Sales of wires and cables for electrical equipment in 2014 also recorded growth with turnover of RMB1,592.5 million, an increase of approximately 5.2% (2013 of RMB1,513.7 million) and accounting for approximately 19.5% of the Group's total turnover. The sales volume for wires and cables for electrical equipment increased from 708,708 km in 2013 to 820,699 km in 2014 or an increase of approximately 15.8%. The average selling price of wires and cables for electrical equipment dropped from approximately RMB2,136 per km in 2013 to approximately RMB1,940 per km in 2014 which was mainly attributable to the decrease in raw material price of copper in 2014.

Sales of bare wires also recorded growth with turnover of RMB464.3 million, an increase of approximately 33.4% (2013 of RMB348.1 million) and accounting for approximately 5.7% of the Group's total turnover. The sales volume for bare wires increased from 26,377 tonnes in 2013 to 34,823 tonnes in 2014 or an increase of approximately 32%. The increase in revenue and sales volume of bare wires was mainly attributable to the increase in tenders won from the grid corporations in the PRC.

Sales of rubber cables increased from RMB375.9 million in 2013 to RMB682.1 million in 2014 or an increase of approximately 81.5%. The sales volume of rubber cables achieved 40,345 km in 2014, an increase of approximately 108.7% as compared to the sales volume of 19,328 km in 2013. The increase of turnover of rubber cables was mainly contributed by the turnover of Zhongmei Cable, the principal subsidiary of Jiangsu Zengyang Investment Company Limited ("Jiangsu Zengyang") which the Group acquired in July 2013. The increase in turnover of Zhongmei Cable was mainly due to that the Group recorded a full year revenue from Zhongmei Cable in 2014 while only 5 months' turnover from August 2013 to December 2013 of Zhongmei Cable was consolidated to the Group in 2013.

Revenue by Geographical Markets

The PRC market remains the Group's key market. Sales to the PRC market in 2014 increased by approximately 28.1% to RMB7,796.7 million and accounted for approximately 95.6% of the total revenue. Such increase was primarily due to the increase in sales volume of all of the Group's product lines as a result of the Group's leading market position in the industry. The Group also benefited from national supporting policies on power and infrastructure sectors. The Group was also able to capture market consolidation opportunities by taking up market share of smaller peers during difficult operating environment in the PRC. Regions or provinces that recorded significant increase in turnover included Jiangsu, Anhui, Liaoning, Xinjiang and Ningxia.

Overseas markets revenue remained stable. Sales to South Africa increased by approximately 14.5% as a result of one of the Group's major customers, Eskom Holdings Limited has renewed a new five years procurement contract with the Group in the second half of 2014. Sales to Singapore also increased from RMB196.1 million in 2013 to RMB214.3 million in 2014, which was due to bigger size contracts gained from one of the Group's major customers, Power Works Pte Ltd of Singapore.

Selling and Distribution Costs

Selling and distribution costs mainly represent salary and welfare expense for employees involved in selling and distribution activities, transportation costs for delivery of products to customers and other selling expenses, including marketing expenses, advertising and promotion expenses and other miscellaneous expenses.

The selling and distribution costs increased by RMB25.0 million, or approximately 22.8%, from RMB110.0 million for the year ended 31 December 2013 to RMB135.0 million for the year ended 31 December 2014. The increase in selling and distribution costs was mainly due to the increase in transportation costs which was in line with the increase in turnover.

Administrative Expenses

Administrative expenses increased by RMB15.4 million, or approximately 11.6%, from RMB132.6 million for the year ended 31 December 2013 to RMB148.0 million for the year ended 31 December 2014 mainly due to the increase in legal and professional fee, depreciation, salaries and rental expenses. The administrative expenses as percentage of turnover was approximately 1.8% (2013: approximately 2.0%), the decrease was mainly due to more stringent cost control and some administrative expenses being fixed costs.

Other expenses

Other expenses which composed of research and development cost increased by approximately 34.2% from RMB17.5 million for the year ended 31 December 2013 to RMB23.5 million for the year ended 31 December 2014, primary due to increase in research and development spending for a larger enterprise after combining the full year operation of Zhongmei Cable in 2014.

Other gains and losses

Other gains and losses composed of bad debt expense and loss on disposal of property, plant and equipment. Other gains and losses increased by approximately 282% from RMB5.6 million for the year ended 31 December 2013 to RMB21.4 million for the year ended 31 December 2014 due to increase in provision of bad debt for long outstanding receivables.

Finance Costs

Finance costs increased by approximately 24.0% from RMB195.3 million in 2013 to RMB242.1 million in 2014 mainly due to the increase in bank financing driven by increase in working capital need as a result of business growth. Finance costs as percentage of turnover remained stable at approximately 3.0% in both 2013 and 2014.

Profit for the Year

Profit for the year attributable to owners of the Company in 2014 increased by approximately 24.3% from RMB503.5 million for the year ended 31 December 2013 to RMB626.0 million for the year ended 31 December 2014. The increase was in line with the increase in turnover.

Financial Position and Liquidity

As at 31 December 2014, total assets of the Group amounted to RMB8,717.5 million (31 December 2013: RMB7,557.3 million).

Non-current assets decreased by approximately 3% from RMB896.5 million as at 31 December 2013 to RMB869.5 million as at 31 December 2014. The decrease was mainly due to depreciation of property, plant and equipment.

Current assets increased by approximately 17.8% from RMB6,660.8 million as at 31 December 2013 to RMB7,848.0 million as at 31 December 2014 mainly due to increase in inventories and receivables as a result of increase in turnover during 2014 as well as increase in sales order with goods yet to deliver.

Total interest-bearing bank borrowings maintained at RMB2,922.2 million as at 31 December 2014 (31 December 2013: RMB2,922.1 million). Of the Group's total bank borrowings, approximately 95.1% of short-term borrowings were made by the Group's subsidiaries in the PRC. These loans were not guaranteed by the Company.

Equity attributable to owners of the Company was RMB3,229.9 million as at 31 December 2014, approximately 41.3% higher than the RMB2,285.7 million as at 31 December 2013. The increase was attributable partly to the total comprehensive income in 2014 added to the equity attributable to owners of the Company and partly due to the issue of the Subscription Shares on 19 September 2014 (see Note 14a to the results announcement above).

As at 31 December 2014, the net-debt-to-equity ratio of the Group, defined as a percentage of net interest-bearing borrowings (bank borrowings less bank balances and cash and pledged bank deposits) of negative RMB48.4 million over total equity of RMB3,229.9 million, dropped from approximately 18.9% as at 31 December 2013 to approximately -1.5% as at 31 December 2014. The decrease was due to large amount of net cash generated from operating activities towards the end of the year 2014 and the issue of the Subscription Shares on 19 September 2014 (Note 14a to the results announcement above).

As at 31 December 2014, the Group pledged certain of its buildings and machinery with carrying value of RMB108,936,000 and RMB112,052,000, respectively (2013: RMB120,944,000 and RMB73,108,000, respectively) to certain banks to secure credit facilities granted to the Group.

At 31 December 2014, the Group pledged certain of its inventories with an aggregate carrying value of RMB315,000,000 (2013: RMB398,340,000) to certain banks to secure credit facilities granted to the Group.

The Group's borrowings are mainly denominated in Renminbi ("RMB") and carry People's Bank of China plus rates. As its revenue is mainly denominated in RMB and major expenses are made either in RMB or Hong Kong Dollars, the Group faces relatively low currency risk.

As at 31 December 2014, neither the Group nor the Company had any significant contingent liabilities.

Use of Net Proceeds received from the Initial Public Offering ("Listing")

The net proceeds from the Listing (after deducting underwriting fees and related expenses) amounted to approximately HK$448.1 million (or equivalent to approximately RMB370.0 million), which is intended to be applied in the manner consistent with that in the prospectus of the Company dated 10 April 2012. As at the date of this announcement, approximately HK$141.0 million in aggregate was used to set up production facilities for aluminium alloy and double capacity conductors of which approximately HK$115.0 million was settled by the net proceeds from the Listing and the balance of approximately HK$26.0 million was settled by the Group's internal resources, approximately HK$40.1 million in aggregate of the net proceeds was used to set up a manufacturing facility in South Africa, approximately HK$33.7 million of the net proceeds was used for expansion of the Group's production facilities for high and ultra-high voltage cables, approximately HK$35.9 million of the net proceeds was used to upgrade and expand existing production facilities and enhance research and development capabilities, and approximately HK$14.1 million of the net proceeds allocated for acquisitions had been fully utilised for the acquisition of Jiangsu Zengyang in 2013.

Dividend

An interim dividend of HK2.5 cents per share (2013 interim dividend as HK1.4 cents per share) amounting to HK$76,930,000 (approximately RMB60,739,000) in aggregate was paid to the shareholders of the Company during the year.

Subsequent to the end of the reporting period, the Board recommended a final dividend ("Final Dividend") of HK3.7 cents per share for the year ended 31 December 2014 (2013: HK3.3 cents) to the shareholders of the Company which is subject to shareholders' approval in the forthcoming annual general meeting to be held on 30 April 2015 ("AGM").

Subject to the approval of the shareholders of the Company at the AGM, it is expected that the Final Dividend will be paid on or around 3 June 2015 to the shareholders whose name appear in the register of members of the Company on 15 May 2015.

Closure of Register of Members

For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28 April 2015 to Thursday, 30 April 2015, both dates inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Monday, 27 April 2015.

For the purpose of determining the entitlement to the proposed Final Dividend for the year ended 31 December 2014, the register of members of the Company will be closed from Wednesday, 13 May 2015 to Friday, 15 May 2015, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for entitlement to the proposed Final Dividend for the year ended 31 December 2014, all transfer of shares accompanied by the relevant shares certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 12 May 2015.

Employees and Remuneration

As at 31 December 2014, the Group had a total of approximately 3,087 employees. Remuneration packages offered to employees are in line with industry standards and reviewed annually. The award of bonuses is discretionary and based on the performance of, firstly, the individual employee, and secondly, the Group.

Property, Plant and Equipment

During the year ended 31 December 2014, the Group's Property, Plant and Equipment decreased from RMB632.9 million as at 31 December 2013 to RMB602.0 million as at 31 December 2014, representing a decrease of approximately 4.9%. The decrease was mainly attributed to the depreciation of property, plant and equipment.

Prospects

As the PRC's economy entered into a new status in 2014, the Group would keep in line with the national policy in the coming 2 to 3 years to deploy more resources in the following aspects to maintain a continuous and rapid growth in the Group's results.

In 2015, the SGCC plans to invest RMB420.2 billion in grid building, including the construction of UHV transmission grid lines, which represents an increase of 24% as compared to investment in 2014. SGCC would also complete the transformation of electricity distribution network in 30 core cities and 30 non-core cities. All-in-all, the above will trigger strong demand for power cables and wires and in particular mid-rated and high-rated voltage power cables.

With the deployment of "One Belt, One Road" ("一帶一路") planning in the coming years, the transportation infrastructure projects between the PRC and its neighbouring countries can be carried out. Moreover, plant and machinery export and construction project contracting are also the focus of the policies. In order to be in line with the implementation of "One Belt, One Road" strategy, provinces and cities across the PRC have been engaging in relevant infrastructure construction projects, including new airports, port facilities and cross border UHV grid network. All of the above would create a strong demand for wires and cables.

In recent years, most cities in the PRC are plagued with severe air pollution and suffered from the problems of haze and smog, with PM2.5 exceedance of emission. Hence, the development of clean and renewable energy is in uttermost urgency. Disregard whether it is to construct new photovoltaic site, nuclear power plant or wind power farm, special wires and cables are needed. To resolve the connection bottleneck issue and reduce the renewable energy redundancy, the UHV grid network construction has been set as the mission for bridging the distant renewable energy sources to high electricity consumption cities in the PRC.

The construction of railway and urban rails are still in a fast pace and investment budget for railway construction in 2015 is approximately RMB800 billion. Planned urban rails in operation in the PRC will reach 7,000 km by 2020, while the length as at the end of 2014 was only 3,000 km. With the need to build railway and urban rails and to enhance the electrification rate, the demand for wires and cables is expected to be strong.

In the coming years, the Group will seize the great opportunities arising from the industry consolidation and expedite the growth of the Group through mergers and acquisitions. The Group intends to look for acquisition targets on the integrated industry chain, which includes EPC (Engineering, Procurement and Construction) contractors downstream of the industry chain. The Group has been making every effort to develop overseas market. Alongside the

"One Belt, One Road" strategy, the Group will take the initiative and consider expanding its foothold to Southeast Asia as well as setting up sales network, with an aim to double its overseas revenue contribution within 3 years from 2014.

PURCHASE, SALE OR REDEMPTION

During the year ended 31 December 2014, the Company had repurchased a total of 14,570,000 shares in the Company on the Stock Exchange pursuant to the general mandate to repurchase shares granted by the Shareholders at the annual general meetings held on 23 May 2014, details of which were as follows:

Date	Number of shares purchased	Price per share Highest price paid	 Lowest price paid	Total paid
		HK$	*HK$*	*HK$*
23, 24, 29 and 30 October 2014	14,570,000	1.62	1.39	22,360,000

All shares repurchased were cancelled and accordingly the Company's issued share capital was reduced by the nominal value of these shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's share during the year ended 31 December 2014.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange. The Company has complied with all the applicable code provisions in the CG Code during the year ended 31 December 2014.

Pursuant to code provision A.2.1 of the CG Code as set out in Appendix 14 to the Listing Rules, the roles of the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, from 1 January 2014 to 6 July 2014, the Company did not have a separate chairman and chief executive officer, with Mr. Rui Fubin performed these two roles. The Board believed that vesting both the roles of chairman and chief executive officer in the same person had the benefit of ensuring consistent leadership within Group and enables more effective and efficient overall strategic planning for the Group. The Board considered that the balance of power and authority for such arrangement would not be impaired and this structure would enable the Company to make and implement decisions promptly and efficiently. On 7 July 2014, Mr. Rui Fubin resigned as the chief executive officer of the Company and Mr. Chu Hui was appointed as the chief executive officer of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code on securities transaction by Directors on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code").

Specific enquiry has been made of all the Directors who have confirmed their compliance with the required standards set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management team the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters and has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2014.

The members of the Audit Committee are Mr. Poon Yick Pang Philip (Chairman), Mr. He Zhisong and Mr. Yang Rongkai, the independent non-executive Directors.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. 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 Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE COMPANY AND OF THE STOCK EXCHANGE

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.jiangnangroup.com). The annual report for the year ended 31 December 2014 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

ACKNOWLEDGEMENT

The Chairman would like to take this opportunity to express his sincere gratitude to the shareholders, investors, business partners, customers and suppliers of the Group for their continuing support and to thank the Group's management team and all staff for their dedication and contribution in the past.

By order of the Board
Rui Fubin
Chairman
and Executive Director

PRC, 10 March 2015

As at the date of this announcement, the executive Directors are Mr. Rui Fubin, Mr. Chu Hui, Ms. Xia Yafang, Mr. Jiang Yongwei and Mr. Hao Minghui, and the independent non-executive Directors are Mr. He Zhisong, Mr. Yang Rongkai and Mr. Poon Yick Pang Philip.