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Jiu Rong Holdings Limited 久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the “**Board**”) of directors (the “**Directors**”) of Jiu Rong Holdings Limited (the “**Company**”) (formerly known as “Mitsumaru East Kit (Holdings) Limited”) are pleased to announce the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2014 (the “**Year**”) together with the comparative figures for the corresponding year of 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 HK\$'000	2013 HK\$'000
REVENUE	3	277,745	42,303
Cost of sales		(226,610)	(26,703)
Gross profit		51,135	15,600
Other income and gains	4	6,361	870
Selling and distribution costs		(12,733)	(4,443)
Administrative expenses		(23,143)	(19,607)
Other operating expenses		(466)	(77)
Finance costs	5	(607)	(17,794)
PROFIT/(LOSS) BEFORE TAX	6	20,547	(25,451)
Income tax expense	7	(5,237)	(1,538)
PROFIT/(LOSS) FOR THE YEAR		15,310	(26,989)
Other comprehensive (loss)/income for the year, net of tax:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(784)	204
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		14,526	(26,785)

	Notes	2014 HK\$'000	2013 HK\$'000
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		14,385	(29,071)
Non-controlling interests		925	2,082
		15,310	(26,989)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		13,608	(28,923)
Non-controlling interests		918	2,138
		14,526	(26,785)
EARNINGS/(LOSS) PER SHARE (HK\$ cents)			
	9		
– Basic		0.38	(1.67)
– Diluted		0.38	(1.67)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		4,576	4,660
Intangible assets		15,387	8,344
Goodwill		16,417	16,417
Deferred tax assets		19	35
		36,399	29,456
CURRENT ASSETS			
Inventories		29,048	41,991
Trade and notes receivables	10	162,240	64,979
Amounts due from non-controlling shareholders		124	–
Prepayments, deposits and other receivables		9,716	14,790
Pledged bank deposits		2,332	–
Cash and cash equivalents		55,741	98,042
		259,201	219,802
CURRENT LIABILITIES			
Trade and notes payables	11	77,128	47,220
Other payables and accruals		13,921	22,206
Amount due to non-controlling shareholder		–	133
Bank loans		8,888	–
Other loan		756	761
Tax payable		4,690	2,349
		105,383	72,669
NET CURRENT ASSETS		153,818	147,133
TOTAL ASSETS LESS CURRENT LIABILITIES		190,217	176,589
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,659	2,557
		1,659	2,557
NET ASSETS		188,558	174,032
EQUITY			
Equity attributable to owners of the Company			
Issued capital		380,000	380,000
Reserves		(193,708)	(208,938)
		186,292	171,062
Non-controlling interests		2,266	2,970
TOTAL EQUITY		188,558	174,032

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is the functional currency of the Company. The functional currencies of its principal subsidiaries include Renminbi (“**RMB**”) and HK\$.

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

In the current year, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

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

3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue represents the net invoiced value of goods sold upon delivery of goods, after allowances for returns and trade discounts and business/sales tax where applicable.

(a) Reportable segments

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Group’s internal reporting in order to assess performance and allocate resources. The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has two (2013: two) reportable segments. The segments are managed separately as each business segment offers different products and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

- Water meter - Design, assembling and installation of water meter.
- TV Business: manufacturing and sales of digital television (“**TV**”), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication, TV and internet in the digital audio visual industry.

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments’ profit or loss that is used by the chief operating decision-maker for assessment of segment performance.

(i) *Business segments*

	For the year ended 31 December 2014		
	Water meter HK\$'000	TV Business HK\$'000	Total HK\$'000
Reportable segment revenue:			
Sales to external customers	49,861	227,884	277,745
Reportable segment profit	10,506	15,105	25,611
Interest expenses	(358)	(249)	(607)
Depreciation of property, plant and equipment	(171)	(615)	(786)
Amortisation of intangible assets	(88)	(1,720)	(1,808)
Other material items of income and expense			
– Subsidy for value-added tax on software integrated circuit	–	1,955	1,955
Impairment of inventories	–	(281)	(281)
Additions to property, plant and equipment	422	1,410	1,832
Additions to intangible assets	5,286	3,618	8,904

	At 31 December 2014		
	Water meter HK\$'000	TV Business HK\$'000	Total HK\$'000
Reportable segment assets	64,575	217,149	281,724
Reportable segment liabilities	(27,341)	(75,576)	(102,917)

	For the year ended 31 December 2013		
	Water meter HK\$'000	TV Business HK\$'000	Total HK\$'000
Reportable segment revenue:			
Sales to external customers	42,303	–	42,303
Reportable segment profit	9,026	–	9,026
Interest expenses	(4)	–	(4)
Depreciation of property, plant and equipment	(371)	–	(371)
Property, plant and equipment from acquisition of a subsidiary	–	4,171	4,171
Intangible assets from acquisition of a subsidiary	–	8,344	8,344
Impairment of inventories	128	–	128
Additions to property, plant and equipment	107	–	107

	At 31 December 2013		
	Water meter HK\$'000	TV Business HK\$'000	Total HK\$'000
Reportable segment assets	30,348	179,435	209,783
Reportable segment liabilities	(19,546)	(44,456)	(64,002)

(ii) *Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:*

Year ended 31 December	2014 HK\$'000	2013 HK\$'000
Revenue		
Reportable segment revenue	277,745	42,303
Elimination of inter-segment revenue	–	–
Consolidated revenue	277,745	42,303
Profit or loss		
Reportable segment profit	25,611	9,026
Unallocated corporate expenses	(5,064)	(16,687)
Unallocated finance costs	–	(17,790)
Consolidated profit/(loss) before income tax	20,547	(25,451)
At 31 December		
Assets		
Reportable segment assets	281,724	209,783
Unallocated cash and cash equivalents	10,929	33,419
Other unallocated corporate assets	2,947	6,056
Consolidated total assets	295,600	249,258
Liabilities		
Reportable segment liabilities	(102,917)	(64,002)
Unallocated tax payable	–	(690)
Unallocated corporate liabilities	(4,125)	(10,534)
Consolidated total liabilities	(107,042)	(75,226)

(b) Geographical information

The Group is domiciled in the PRC. The following tables provide an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred tax assets ("**Specified non-current assets**").

	Revenue from external customers	
	2014	2013
	HK\$'000	HK\$'000
PRC	269,203	42,303
Hong Kong	6,900	–
Others	1,642	–
	277,745	42,303

	Specified non-current assets	
	2014	2013
	HK\$'000	HK\$'000
PRC	29,715	20,553
Hong Kong	6,665	8,868
	36,380	29,421

(c) Information about major customers

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

			2014	2013
	Segment	Note	HK\$'000	HK\$'000
Customer A	Water meter	(i)	6,488	8,744
Customer B	Water meter	(i)	6,876	4,991
Customer C	TV business		36,574	–
Customer D	TV business		32,074	–

Note:

- (i) Revenue from these customers did not exceed 10% of total revenue in current year. These amounts were shown for comparative purpose.

4. OTHER INCOME AND GAINS

	Notes	2014 HK\$'000	2013 HK\$'000
Bank interest income		1,155	93
Fair value change of a derivative financial instrument		–	204
Management fee from China Water Affairs Group Limited	(i)	960	240
Compensation income		219	–
Loan interest income from third parties		1,498	–
Loan interest income from related companies	(ii)	105	–
Gain on disposal of property, plant and equipment		149	–
Government grant		157	–
Subsidy for value-added tax on software integrated circuit		1,955	–
Others		163	333
		6,361	870

Notes:

- (i) China Water Affairs Group Limited is a shareholder of the Company with significant influence on the Company.
- (ii) The related companies are subsidiaries of China Water Affairs Group Limited.

5. FINANCE COSTS

	Note	2014 HK\$'000	2013 HK\$'000
Interest expenses on borrowings wholly repayable within five years:			
– Interest on loans from third parties		392	15,122
– Imputed interest on loan from New Prime Holdings Limited		–	1,962
– Interest on outstanding consideration payable for acquisition of a subsidiary		–	710
– Interest on loans from a related company	(i)	215	–
		607	17,794

Note:

- (i) The related company is a subsidiary of China Water Affairs Group Limited.

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	2014	2013
	HK\$'000	HK\$'000
Cost of inventories sold	226,610	26,703
Staff costs (including directors' remuneration):		
Wages and salaries	9,208	8,583
Pension scheme contributions		
– Defined contribution scheme	796	215
Other staff benefits	431	1,207
	10,435	10,005
Auditors' remuneration	600	550
Depreciation of items of property, plant and equipment	800	386
Amortisation of intangible assets	1,808	–
Minimum lease payments under operating lease in respect of		
– Land and buildings	1,256	1,947
Exchange losses, net	133	77
Impairment of inventories	281	128

7. INCOME TAX EXPENSE

No provision of Hong Kong Profits Tax has been provided in the consolidated financial statements as the Group incurred losses for the current and prior years in Hong Kong.

PRC corporate income tax is calculated at a standard rate of 25% (2013: 25%) on the estimated assessable profits arising from its operation in the PRC.

The amount of income tax expenses includes in profit or loss represents:

	2014	2013
	HK\$'000	HK\$'000
Current – the PRC		
– Charge for the year	6,105	2,112
– Over-provision in prior years	–	(574)
Deferred tax	(868)	–
	5,237	1,538

The income tax expenses for the year can be reconciled to the profit for the year multiplied by applicable tax rate as follows:

	2014 HK\$'000	2013 HK\$'000
Profit/(loss) before tax	20,547	(25,451)
Tax calculated at the domestic tax rate of 16.5% (2013: 16.5%)	3,390	(4,199)
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,177	774
Tax effect of revenue not taxable for tax purposes	(1,545)	(172)
Tax effect of expenses not deductible for tax purposes	383	3,914
Tax effect of tax losses not recognised	832	1,795
Over-provision in prior years	–	(574)
Income tax expenses	5,237	1,538

At 31 December 2014, the Group has unused tax losses of approximately HK\$44,097,000 (2013: approximately HK\$39,057,000) available indefinitely for offset against future profits. During the year, deferred tax asset of approximately HK\$15,000 (2013: Nil) has been recognised in respect of such tax losses, due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

8. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 31 December 2014 and 2013.

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings (2013: loss) per share attributable to owners of the Company is based on the profit (2013: loss) for the year attributable to owners of the Company of approximately HK\$14,385,000 (2013: loss of approximately HK\$29,071,000) and the weighted average number of 3,800,000,000 (2013: 1,737,733,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the year ended 31 December 2014 (2013: The effect of all potential ordinary shares are anti-dilutive).

10. TRADE AND NOTES RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Trade receivables	149,268	48,971
Notes receivables	12,972	16,008
	162,240	64,979

The Group's trading terms with its customers are mainly on credit, except for the new customers, where payment in advance is normally required. The credit period generally ranges from 15 to 185 days (2013: 15 to 185 days). Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

As at the end of the reporting periods, certain trade receivables are pledged to a bank to secure general banking facilities granted to the Group.

As at the end of the reporting periods, certain notes receivables are pledged to banks to secure certain notes payables.

An aged analysis of trade receivables, as at the end of the reporting periods based on the goods delivery date, and net of impairments, is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 90 days	78,506	36,779
91 days to 180 days	31,472	10,037
181 days to 1 year	37,600	214
Over 1 year	1,690	1,941
	149,268	48,971

The ageing of trade receivables which are past due but not impaired are as follows:

	2014 HK\$'000	2013 HK\$'000
Less than 1 month past due	18,021	5,120
1 to 3 months past due	14,223	294
More than 3 months but less than 12 months past due	8,977	214
Over 1 year past due	1,323	1,941
	42,544	7,569

Receivables that were past due but not impaired relate to a number of customers that have good settlement records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancement over these receivables.

11. TRADE AND NOTES PAYABLES

	2014	2013
	HK\$'000	HK\$'000
Trade payables	51,283	32,734
Notes payables	25,845	14,486
	77,128	47,220

An aged analysis of trade payables, based on the invoice date, is as follows:

	2014	2013
	HK\$'000	HK\$'000
Outstanding balances with ages:		
Within 180 days	50,859	30,738
181 days to 1 year	244	1,037
1 to 2 years	111	959
Over 2 years	69	–
	51,283	32,734

As at 31 December 2014, the notes payables were secured by (i) pledged bank deposits, and (ii) personal guarantee from a shareholder of amount up to RMB29,400,000 (equivalence to approximately HK\$37,065,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall Financial Results

For the year ended 31 December 2014, the Group achieved a turnover of approximately HK\$277,745,000 with a gross profit of approximately HK\$51,135,000. The profit for the Year attributable to owners of the Company was approximately HK\$14,385,000. Basic profit per share of the Company was approximately HK0.38 cents while basic loss per share for the year ended 31 December 2013 was approximately HK1.67 cents. As at 31 December 2014, balance of cash and cash equivalents of the Group were approximately HK\$55,741,000.

Turnover

For the Year under review, the Group recorded a turnover of approximately HK\$277,745,000 which was contributed by the TV business and water meter business.

In 2014, the Group's business has two reporting segments (2013: two).

Business operations

(i) Water meter

The Group through its non-wholly owned subsidiary, Wuhan Sunbow Science & Technology Co. Limited ("**Sunbow**") to carry out the design, assembly and installation of water meter in the Peoples' Republic of China (the "**PRC**").

(ii) TV business

The Group through its wholly owned subsidiary, Soyea Jiu Rong Technology Co., Ltd. ("**Soyea Jiu Rong**") to carry out the research and development, manufacturing and sales of digital television ("**TV**"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication, TV and internet in the digital audio visual industry.

Gross Profit Margin

During the Year under review, the decrease of gross profit margin was due to the comparatively low gross profit margin products and services of the TV business.

Expenses

During the Year under review, the Group adopted stringent cost controls on its operation. Management of the Group always believes that maintaining a high standard of cost control on expenses were for the benefits of the Group. Therefore, management regularly reviewed and updated controls and procedures to ensure that cost control objectives can be achieved.

Financial Position and Liquidity

	31 December 2014	31 December 2013
Current ratio	2.46	3.02
Quick ratio	2.18	2.45
Gearing ratio	0.13	N/A

* Gearing ratio = Net debt divided by the capital plus net debt

For the Year under review, the Group used approximately HK\$36,766,000 (2013: approximately HK\$12,781,000) of cash from its operations. As at 31 December 2014, the Group had cash and cash equivalents of approximately HK\$55,741,000 (2013: approximately HK\$98,042,000).

As at 31 December 2014, surplus in shareholders' equity was approximately HK\$186,292,000 (2013: surplus in shareholders' equity of approximately HK\$171,062,000). Current assets of the Group amounted to approximately HK\$259,201,000 (2013: approximately HK\$219,802,000). The current ratio and quick ratio were approximately 2.46 and 2.18 (2013: approximately 3.02 and 2.45), respectively.

As at 31 December 2014, the Group's net debts amounted to approximately HK\$44,952,000 (2013: net cashes of approximately HK\$27,722,000).

Trade and notes receivables increased from approximately HK\$64,979,000 as at 31 December 2013 to approximately HK\$162,240,000 as at 31 December 2014. During the Year under review, the Group did not provide any impairment loss on trade receivables (2013: Nil).

Capital Expenditure

The Group's total capital expenditures on property, plant and equipment during the Year under review amounted to approximately HK\$1,832,000 (2013: approximately HK\$107,000).

Pledge of Assets

As at 31 December 2014, the Group pledged (i) certain of its trade receivables with amount up to HK\$10,086,000 (equivalent to approximately RMB 8,000,000) and (ii) equity interests of 91.75% of a subsidiary of the Group with maximum amount of HK\$10,086,000 (equivalent to approximately RMB 8,000,000), to secure bank loans obtained by a subsidiary of the Group.

In addition, as at 31 December 2014, the Group has pledged (i) certain of its notes receivables; and (ii) bank deposit of approximately HK\$2,332,000 to secure notes payables.

Material Acquisition

During the Year under review, the Group did not have any material acquisition.

Capital Structure

During the Year under review, there was no change in the Company's capital structure.

Significant Investment

The Group did not have any significant investments during the Year under review.

Foreign Exchange and Currency Risks

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities and Capital Commitments

The Group does not have any contingent liability in the Year under review (2013: Nil).

The Group does not have any capital commitment in the Year under review (2013: Nil).

Employees Benefit and Expenses

As at 31 December 2014, there were 356 employees (2013: 52 employees) in the Group. The total amount of employee remuneration incurred for the Year was approximately HK\$10,435,000 (2013: approximately HK\$10,005,000). The Group determines employees' remuneration by the work responsibilities, job performance and professional experience. The Group also provides employees on-job training from time to time to upgrade the knowledge, skills and overall caliber of its employees.

BUSINESS REVIEW AND OUTLOOK

The Company's operating and financial position has significantly improved following the acquisition of 100% equity interests of Soyea Jiu Rong Technology Limited and the open offer in December 2013, the Group recorded approximately HK\$277,745,000 (2013: approximately HK\$42,303,000) in turnover from TV Business and Water Meter Business for the year ended 31 December 2014, representing an increase of 556.56% which was mainly due to the revenue generated from the TV Business since January 2014. The Group recorded operating profit of approximately HK\$20,547,000 (2013: loss of approximately HK\$25,451,000) and profit attributable to owners of the Company of approximately HK\$14,385,000 (2013: loss of approximately HK\$29,071,000).

The Directors will continue to closely monitor and evaluate the performance of the TV Business and Water Meter Business in order to enhance the value of the Group which will be in the interests of the Company and shareholders as a whole.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealing (the "**Code of Conduct**") by Directors on terms no less exacting than the required standard set out in Appendix 10 to Listing Rule (the "**Model Code**"). The Company has made specific enquiry of all Directors as to whether they have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 31 December 2014.

All the Directors apart from Mr. Martin He, the former independent non-executive Director, have confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct throughout the year ended 31 December 2014. The Company is unable to obtain the relevant confirmations from Mr. Martin He due to his resignation on 1 July 2014, and therefore is unable to fully ascertain whether the Company has complied with the required standard set out in the Model Code and Code of Conduct through the year ended 31 December 2014.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange, except for certain deviations as specified and explained below with considered reasons for such deviations.

1. Under the Code Provision A.2.1 of the CG Code, among others, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the Year and up to the date of this report hereof, the posts of chairman and chief executive were vacant. The Board will keep reviewing the current structure of the Board from time to time and should candidates with suitable knowledge, skill, and experience be identified, the Company will make appointments to fill the posts as and when appropriate.

2. Under the Code Provision A.6.7 of the CG Code, the independent non-executive Directors and non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagements, one independent non-executive Director did not attend the annual general meeting (“**AGM**”) held on 29 May 2014, and three and one Independent Non-executive Directors did not attend the extraordinary general meeting (“**EGM**”) held on 4 February 2014 and 27 June 2014 respectively.

However, at the respective general meetings of the Company, there were at least two executive Directors presented to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

3. Under the Code Provision E.1.2 of the CG Code, the chairman of the Board should attend the AGM and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the AGM.

Due to other business engagements, the chairman of the audit and remuneration did not attend the AGM.

The Board has taken remedial steps, actions and measures to make sure that the Company is in all aspects in strict compliance with the Listing Rules and the CG Code.

FULFILLMENT OF PROFIT FORECAST

With reference to the circular of the Company dated 12 November 2013 in relation to the profit forecast of the unaudited estimated consolidated profit attributable to the owners of the Company for the year ending 31 December 2014 of not less than HK\$13.27 million (“**Profit Forecast**”), based on the audited consolidated profit for the Year attributable to owners of the Company of approximately HK\$14,385,000, the Profit Forecast has been fulfilled.

AUDIT COMMITTEE

The Company has an Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal control system and providing advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors of the Company.

The Audit Committee of the Company has reviewed the annual results of the Group for the Year including the accounting principles and practices adopted by the Company.

SCOPE OF WORK OF THE GROUP'S AUDITOR

The figures in respect of this announcement of the Group's result for the year ended 31 December 2014 have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2014. The work performed by ZHONGHUI ANDA CPA Limited 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 ZHONGHUI ANDA CPA Limited on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results of the Group for the year ended 31 December 2014 is available for viewing on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and on the website of the Company at <http://www.irasia.com/listco/hk/2358>. An annual report for the year ended 31 December 2014 will be despatched to the shareholders and available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Directors of the Company are:

Executive Directors:

Mr. Siu Chi Ming
Mr. Tang Chin Wan
Ms. Wang Liping

Independent Non-executive Directors:

Ms. Au Shui Ming, Anna
Mr. Wu Yinong
Mr. Tsang Ho Ka, Eugene

By Order of the Board
Jiu Rong Holdings Limited
Siu Chi Ming
Executive Director

Hong Kong, 30 March 2015