恒基兆業發展有限公司
HENDERSON INVESTMENT LIMITED
Incorporated in Hong Kong with limited liability
(Stock Code : 97)

2013 FINAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of your Board, I am pleased to present my report on the operations of the Group for the financial year ended 31 December 2013.

Profit and Net Asset Value Attributable to Shareholders

The Group profit attributable to equity shareholders for the year ended 31 December 2013 amounted to HK$10 million, representing a decrease of HK$15 million or 60% from HK$25 million for the corresponding year ended 31 December 2012. Earnings per share were HK 0.3 cents (2012: HK 0.8 cents).

The decrease in profit was due to the fact that commencing from 20 March 2012, payment of the toll fee in respect of Hangzhou Qianjiang Third Bridge to a joint venture company of the Group was provisionally suspended. Consequential upon the failure of the relevant authority to put forward any formal proposal or compensation offer regarding the toll fee collection right, for the sake of prudence, the toll revenue commencing from 20 March 2012 (including the toll revenue for the year ended 31 December 2013 in the amount of HK$318 million) has not been recognized in the accounts of the Group. Nevertheless, with other income and other gains (mainly comprising bank interest income and net foreign exchange gain) totalling HK$50 million, which was offset by the direct costs (mainly comprising amortization charge of the toll bridge) of HK$39 million, a profit attributable to equity shareholders of HK$10 million was recorded during the year.

At 31 December 2013, the net asset value attributable to equity shareholders amounted to approximately HK$1,433 million or HK$0.47 per share.

Dividends

Your Board recommends the payment of a final dividend of HK 2.0 cents per share to shareholders whose names appear on the Register of Members of the Company on Tuesday, 17 June 2014, and such final dividend will not be subject to any withholding tax in Hong Kong. Including the interim dividend of HK 2.0 cents per share already paid, the total dividend for the year ended 31 December 2013 will amount to HK 4.0 cents per share (2012: HK 4.0 cents per share). Final dividend will be distributed to shareholders on Tuesday, 24 June 2014.

BUSINESS REVIEW

The Group is engaged in the infrastructure business on the mainland. The core asset of the Group is its 60% interest in Hangzhou Qianjiang Third Bridge in Zhejiang Province, which is a major trunk route linking Beijing and Fujian Province. It is located on National Highway No.104 in Zhejiang Province, spanning approximately 5.8 km over the Qiantangjiang River in Hangzhou and connecting the urban parts of Southern Hangzhou and Xiaoshan and Binjiang. The toll bridge is also an important nodal point for access to major roads leading to the Hangzhou Airport.

For the year ended 31 December 2013, the total toll revenue (after deduction of PRC business tax) generated by Hangzhou Qianjiang Third Bridge amounted to HK$318 million, representing an increase of HK$1 million or 0.3% when compared with that of HK$317 million for the corresponding year ended 31 December 2012. Hangzhou Qianjiang Third Bridge has been operating as usual. However, commencing from 20 March 2012, payment of the toll fee in respect of Hangzhou Qianjiang Third Bridge to a joint venture company of the Group was provisionally suspended. Consequential upon the failure of the relevant authority to put forward any formal proposal or compensation offer regarding the toll fee collection right, for the sake of prudence, the toll revenue commencing from 20 March 2012 has not been recognized in the accounts of the Group. Hence, the Group's turnover for the year ended 31 December 2013 was nil as compared to HK$63 million (being the toll revenue, net of PRC business tax, for the period from 1 January 2012 to 19 March 2012) for the corresponding year ended 31 December 2012. The total toll revenue (after deduction of PRC business tax) accrued for but not recognized by the Group up to 31 December 2013 amounted to HK$572 million.

The above issue of toll fee collection right is subject to arbitration by China International Economic and Trade Arbitration Commission ("CIETAC").

Issue of Collection Right and Development of its Arbitration

On 17 September 2012, the joint venture company filed an arbitration application with "CIETAC" against 杭州市城市"四自"工程道路綜合收費管理處 (Hangzhou City "Sizi" Engineering & Highway General Toll Fee Administration Office) (the "Hangzhou Toll Office") as the first respondent and Hangzhou Municipal People's Government as the second respondent for an arbitration award that, inter alia, the first respondent and the second respondent should continue to perform their obligations under the collection agreement by paying toll fees of Hangzhou Qianjiang Third Bridge to the joint venture company and be liable for the damages for the breach of contract and the relevant outstanding toll fees together with the legal and arbitration costs incurred.

On 12 November 2012, CIETAC confirmed its acceptance to administer the above arbitration case and on 26 August 2013 finalized the composition of an arbitration tribunal. CIETAC has now fixed the commencement date of the arbitration hearing on 14 April 2014.

The Group does not believe that the provisional suspension of payment of toll fee from the Hangzhou Toll Office to the joint venture company commencing from 20 March 2012 has any legal or contractual basis as the Group has obtained a legal opinion from an independent PRC law firm that the toll fee collection right of Hangzhou Qianjiang Third Bridge enjoyed by the joint venture company should be for the same period of 30 years as the operating right enjoyed by the joint venture company. Based on such advice, amortization and calculation of the recoverable amount of the intangible operating right in the consolidated accounts of the Group are on the basis that both the operating right and the toll fee collection right of Hangzhou Qianjiang Third Bridge last for a period of 30 years expiring on 19 March 2027. There is, however, uncertainty as to any further response of the authorities and/or Hangzhou Municipal Bureau of Communications and the outcome of the arbitration case. Based on the future development of the aforesaid, the Group would have to reconsider the remaining useful life and/or the recoverable amount of the intangible operating right.

Currently, the core operating assets of the Group comprise its 60% interest in Hangzhou Qianjiang Third Bridge. If the Group ceases to have an economic interest in Hangzhou Qianjiang Third Bridge, the Board would, if appropriate opportunity arises, identify suitable investments for the Group. In the event that no suitable investments are identified and acquired by the Group, its assets would consist substantially of cash. As a result, The Stock Exchange of Hong Kong Limited may consider that the Company does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the Company's shares and may suspend dealings in or cancel the listing of the shares.

Prospects

The Group will follow up closely with the development of the arbitration case and continue to pursue further negotiations with the relevant PRC authority with a view to achieving a settlement relating to the toll fee collection right of Hangzhou Qianjiang Third Bridge that is in the interest of the Group and its shareholders as a whole.

The Group may continue to report a loss from operations in the future financial period, unless the arbitration proceedings result in a determination or the parties come to an agreement in each case satisfactory to the Group, or suitable investment that may be identified by the Group produces satisfactory income.

Appreciation

I would like to take this opportunity to express my gratitude to my fellow directors for their wise counsel, and to thank all our staff for their dedication and hard work.

Lee Shau Kee
Chairman

Hong Kong, 20 March 2014

BUSINESS RESULTS

Consolidated Statement of Profit or Loss
for the year ended 31 December 2013

	Note	**2013** **HK$ million**	2012 HK$ million
Turnover	3	**-**	63
Direct costs		**(39)**	(47)
		(39)	16
Other income/other gains		**50**	38
Administrative expenses		**(12)**	(18)
(Loss)/profit before taxation	4	**(1)**	36
Income tax	5	**(3)**	(6)
(Loss)/profit for the year		**(4)**	30
Attributable to:			
Equity shareholders of the Company		**10**	25
Non-controlling interests		**(14)**	5
(Loss)/profit for the year		**(4)**	30
		HK cents	HK cents
Earnings per share – basic and diluted	8	**0.3**	0.8

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 7.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2013

	2013 **HK$ million**	2012 HK$ million
(Loss)/profit for the year	**(4)**	30
Other comprehensive income for the year:		
Item that may be reclassified subsequently to profit or loss:		
- Exchange difference on translation of accounts of subsidiaries outside Hong Kong	**15**	-
Total comprehensive income for the year	**11**	30
Attributable to:		
Equity shareholders of the Company	**19**	25
Non-controlling interests	**(8)**	5
Total comprehensive income for the year	**11**	30

Consolidated Balance Sheet
at 31 December 2013

	Note	**2013** **HK$ million**	2012 HK$ million
Non-current assets			
Property, plant and equipment		**1**	1
Intangible operating right		**394**	415
Non-current receivable		**10**	27
		405	443
Current assets			
Trade and other receivables	9	**78**	56
Tax recoverable		**-**	9
Cash and cash equivalents		**1,185**	1,277
		1,263	1,342
Current liabilities			
Trade and other payables	10	**18**	23
Current taxation		**1**	-
		19	23
Net current assets		**1,244**	1,319
Total assets less current liabilities		**1,649**	1,762
Non-current liability			
Deferred tax liabilities		**13**	15
NET ASSETS		**1,636**	1,747

Consolidated Balance Sheet
at 31 December 2013 (continued)

	Note	**2013** **HK$ million**	2012 HK$ million
CAPITAL AND RESERVES			
Share capital		**609**	609
Reserves		**824**	927
Total equity attributable to equity shareholders of the Company		**1,433**	1,536
Non-controlling interests		**203**	211
TOTAL EQUITY		**1,636**	1,747

Notes:

1 Basis of preparation

The final results set out in this announcement do not constitute the Group's statutory accounts for the year ended 31 December 2013 but are extracted from those accounts.

The statutory accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The statutory accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The measurement basis used in the preparation of the statutory accounts is the historical cost basis.

2 Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's accounts for the year ended 31 December 2013.

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*

  The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these accounts has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these accounts.

- HKFRS 10, *Consolidated financial statements*

  HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK(SIC)-Int 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities at 1 January 2013.

2 Changes in accounting policies (continued)

- HKFRS 12, *Disclosure of interests in other entities*

  HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

In respect of the other developments, none of them has material impact on these accounts.

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these accounts. These include the following which may be relevant to the Group:

		Effective for accounting periods beginning on or after
Amendments to HKAS 32	*Offsetting financial assets and financial liabilities*	1 January 2014
Amendments to HKAS 39	*Novation of derivatives and continuation of hedge accounting*	1 January 2014
HKFRS 9	*Financial instruments*	To be announced by the HKICPA

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the accounts.

3 Turnover

Turnover represents toll fee income, net of business tax, from infrastructure business in mainland China. In view of the uncertainty on the inflow of toll revenue to the Group as referred to in note 9, the Group did not recognise in these accounts any toll fee income during the year.

4 (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging:

		2013	2012
		HK$ million	HK$ million
(a)	**Directors' remuneration:**		
	Directors' fees, salaries, emoluments, other allowances and benefits	**1**	1
(b)	**Staff costs (other than directors' remuneration):**		
	Salaries, wages and other benefits	**5**	6
(c)	**Other items:**		
	Amortisation of intangible operating right	**31**	39
	Repairing cost of the toll bridge	**2**	3
	Depreciation	**1**	-
	Auditors' remuneration - audit service	**1**	1

5 Income tax

Income tax in the consolidated statement of profit or loss represents:

	2013	2012
	HK$ million	HK$ million
Current tax — mainland China		
– provision for the year	**3**	11
– under-provision in respect of prior years	**2**	1
Deferred taxation		
– origination and reversal of temporary differences	**(2)**	(6)
	3	6

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the year subject to Hong Kong Profits Tax.

Taxation for subsidiaries outside Hong Kong is calculated at the rates prevailing in the relevant jurisdictions.

5 Income tax (continued)

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China, under which the Group's principal income tax rate applicable to its operations in mainland China is gradually accelerated to a higher tax rate of 25% in a period of five years starting from 1 January 2008. The applicable principal income tax rate for the year ended 31 December 2013 was 25% (2012: 25%).

In addition, dividend distribution out of the retained profits of foreign-invested enterprises earned after 1 January 2008 is subject to withholding tax at a tax rate of 10% unless reduced by treaty. Under the tax treaty between Hong Kong and mainland China, the withholding tax rate applicable to the Group for the current year and the prior year is 5%.

6 Segmental information

No segmental information for the years ended 31 December 2013 and 2012 is presented as the Group's turnover and trading results for the abovementioned years are generated solely from its infrastructure business in mainland China, the turnover of which amounted to HK$Nil during the year (2012: HK$63 million) and the loss from operation of which amounted to HK$41 million during the year (2012: profit of HK$9 million).

7 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the profit for the year

	2013 **HK$ million**	2012 HK$ million
Interim dividend declared of HK2 cents (2012: HK2 cents) per share	**61**	61
Final dividend proposed after the balance sheet date of HK2 cents (2012: HK2 cents) per share	**61**	61
	122	122

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividend payable to equity shareholders of the Company attributable to the profit for the previous financial year, approved and paid during the year

	2013 **HK$ million**	2012 HK$ million
Final dividend in respect of the previous financial year, approved and paid during the year of HK2 cents (2012: HK2 cents) per share	**61**	61

8 Earnings per share – basic and diluted

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$10 million (2012: HK$25 million) and 3,047,327,395 (2012: 3,047,327,395) ordinary shares, being the number of ordinary shares in issue throughout the year.

9 Trade and other receivables

	2013 **HK$ million**	2012 HK$ million
Consideration receivable	**68**	46
Deposits, prepayments and other receivables	**10**	10
	78	56

Trade debtors comprise toll income receivable which has been collected on behalf of the Group by 杭州市城市"四自"工程道路綜合收費管理處 (Hangzhou City "Sizi" Engineering & Highway General Toll Fee Administration Office) (the "Hangzhou Toll Office"), which is the relevant government body in Hangzhou to record the traffic flow and make payment of the toll fee of Hangzhou Qianjiang Third Bridge (the "Bridge"), pursuant to the terms of an agreement dated 5 February 2004 (the "Collection Agreement") entered into between Hangzhou Henderson Qianjiang Third Bridge Company, Limited (the "Joint Venture Company", a subsidiary of the Company which holds the operating right of the Bridge) and the Hangzhou Toll Office. On 20 March 2012, the Group received a letter dated 18 March 2012 from the Hangzhou Toll Office which stated that, because the General Office of the People's Government of Zhejiang Province in 2003 provisionally fixed the period of entitlement to toll fee in respect of the Bridge to end on 19 March 2012, they would, commencing from 20 March 2012, provisionally suspend payment of toll fee to the Group in respect of the Bridge.

In view of the uncertainty on the inflow of the toll revenue to the Joint Venture Company, the Company's directors did not recognise in these accounts the toll revenue (after deduction of mainland China business tax) during the period from 20 March 2012 (being the commencement date for the provisional suspension of the toll fee payment from the Hangzhou Toll Office to the Group) to 31 December 2013 of RMB462 million, or equivalent to HK$572 million. Accordingly, the Group did not recognise any toll income receivable from the Bridge collected on behalf of the Group by the Hangzhou Toll Office at 31 December 2013. For the year ended 31 December 2013, the total unrecognised toll revenue (after deduction of mainland China business tax) amounted to HK$318 million (2012: HK$254 million).

9 Trade and other receivables (continued)

Besides, in order to protect the interest of the Joint Venture Company, the Joint Venture Company had, in accordance with the terms of the Collection Agreement, filed an arbitration application with China International Economic and Trade Arbitration Commission ("CIETAC", 中國國際經濟貿易仲裁委員會) on 17 September 2012 against the Hangzhou Toll Office and Hangzhou Municipal People's Government for an arbitration award that, inter alia, they should continue to perform their obligations under the Collection Agreement by paying toll fees of the Bridge to the Joint Venture Company and be liable for the damages for the breach of contract and the relevant outstanding toll fees together with the legal and arbitration costs incurred. CIETAC on 12 November 2012 confirmed its acceptance to administer the above arbitration case.

Included in the consideration receivable of HK$68 million (2012: HK$46 million) above was an amount of RMB25 million (equivalent to HK$31 million) (2012: RMB20 million (equivalent to HK$25 million)) which related to an amount overdue for more than one year but was not impaired. Based on past experience, management considers that no impairment allowance is necessary as there has not been a significant change in credit quality and such amount is considered to be fully recoverable.

In respect of other trade and other receivables, credit terms given to counter-parties are generally based on the financial strength and repayment history of each counter-party. Normally, the Group does not obtain collateral from counter-parties. Ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise exposure to credit risk. Adequate impairment losses have been made for the estimated irrecoverable amounts.

10 Trade and other payables

	2013	2012
	HK$ million	HK$ million
Trade creditors	**1**	3
Accrued expenses and other payables	**17**	20
	18	23

The ageing analysis of trade creditors of the Group at the balance sheet date is as follows:

	2013	2012
	HK$ million	HK$ million
Due more than 1 month but within 3 months	**1**	3
	1	3

11 Review of results

The financial results for the year ended 31 December 2013 have been reviewed with no disagreement by the Audit Committee of the Company.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Company's auditor, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's consolidated accounts for the year. The work performed by PricewaterhouseCoopers Hong Kong 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 HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

FINANCIAL REVIEW

The following discussions should be read in conjunction with the Company's audited consolidated accounts for the year ended 31 December 2013.

Material acquisitions and disposals

The Group did not undertake any significant acquisition or disposal of subsidiaries or assets during the year ended 31 December 2013.

Results of operations

During the year ended 31 December 2013, the Group was engaged in the infrastructure business in mainland China, being the operating right of a toll bridge in Hangzhou, Zhejiang Province.

For the reason that, as detailed in the Chairman's Statement of the Company's announcement of results for the year ended 31 December 2013 of which this Financial Review forms a part, the Hangzhou Toll Office (as such term is defined in the Chairman's Statement) continued to provisionally suspend payment of the toll fee in respect of the toll bridge to the Group (which commenced from 20 March 2012) during the year ended 31 December 2013, no toll fee income was recognised in the Group's consolidated accounts for the year ended 31 December 2013 (2012: HK$63 million, representing the toll fee income during the period from 1 January 2012 to 19 March 2012). Nevertheless, for the year ended 31 December 2013, the Group recognised (i) direct costs (mainly comprising amortisation charge of the toll bridge) of HK$39 million (2012: HK$47 million) ; (ii) other income and other gains (mainly comprising bank and other interest income and net foreign exchange gain) of HK$50 million (2012: HK$38 million) ; (iii) administrative expenses of HK$12 million (2012: HK$18 million) ; (iv) income tax charge of HK$3 million which mainly relates to an under-provided tax charge in respect of previous years (2012: HK$6 million) ; and (v) non-controlling interests' attributable share of loss for the year of HK$14 million (2012: non-controlling interests' attributable share of profit for the year of HK$5 million). As a result, the Group consolidated profit attributable to equity shareholders for the year ended 31 December 2013 amounted to HK$10 million (2012: HK$25 million).

Notwithstanding the suspension in the payment of toll fee income by the Hangzhou Toll Office to the Group during the year ended 31 December 2013, the toll fee income generated by the toll bridge during the year ended 31 December 2013 amounted to HK$318 million (2012: HK$317 million), representing a year-on-year increase of 0.3%. The average daily number of vehicles which used the toll bridge during the year ended 31 December 2013 was 77,376 (2012: 77,615), representing a year-on-year decrease of 0.3% for reason that the monthly traffic volume of the toll bridge recorded a month-on-month decrease of between 2% and 4% during the second half of 2013, due to (i) the record high temperatures of July and August which hampered the activity of travellers using the toll bridge; and (ii) the road construction works in the neighbouring area of the toll bridge during the period from September to December which resulted in a decrease in commuters using the toll bridge.

Financial resources, liquidity and loan maturity profile

At 31 December 2013, the Group had no bank borrowings (2012: Nil). The Group had net cash and bank balances of HK$1,185 million at 31 December 2013 (2012: HK$1,277 million).

During the year ended 31 December 2013, the Group did not recognize any finance costs (2012: Nil).

Based on the Group's net cash and bank balances of HK$1,185 million at 31 December 2013, the Group has adequate financial resources in meeting the funding requirements for its ongoing operations as well as its future expansion.

Treasury and financial management

The Group's financing and treasury activities are centrally managed at the corporate level. At 31 December 2013, the Group was not a contractual party to any arrangements in relation to any derivative financial instruments for speculative or hedging purposes. The Group monitors closely its interest rate exposure (in the event that the Group shall enter into new bank borrowings) and foreign exchange rate exposure (in relation to its investment in the infrastructure business in mainland China which is denominated in Renminbi and the bank deposits in Hong Kong denominated in Renminbi which are not hedged) and will consider hedging these exposures should the need arise.

Apart from the foregoing, the Group did not have any material exposures to interest rates or foreign exchange rates at 31 December 2013.

Charge on assets

Assets of the Group were not charged to any parties at 31 December 2013 and 31 December 2012.

Capital commitments

At 31 December 2013 and 31 December 2012, the Group did not have any capital commitments.

Contingent liabilities

At 31 December 2013 and 31 December 2012, the Group did not have any contingent liabilities.

Employees and remuneration policy

At 31 December 2013, the Group had 58 (2012: 60) full-time employees. The remuneration of the employees is in line with the market and commensurate with the level of pay in the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees include medical insurance, retirement scheme, training programmes and education subsidies.

Total staff costs for the year ended 31 December 2013 amounted to HK$6 million (2012: HK$7 million), which comprised staff costs (other than directors' remuneration) for the year of HK$5 million (2012: HK$6 million) and directors' remuneration for the year of HK$1 million (2012: HK$1 million).

OTHER INFORMATION

Closure of Register of Members

1. Book Close for determining the entitlement to attend and vote at the annual general meeting

   The Register of Members of the Company will be closed from Thursday, 5 June 2014 to Monday, 9 June 2014, both days inclusive, during which period no transfer of shares will be registered, for the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Registrar, Tricor Standard Limited at the address stated below not later than 4:30 p.m. on Wednesday, 4 June 2014.

2. Book Close for determining the qualification for the proposed final dividend

   The Register of Members of the Company will be closed from Friday, 13 June 2014 to Tuesday, 17 June 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Registrar, Tricor Standard Limited at the address stated below not later than 4:30p.m. on Thursday, 12 June 2014.

The Company's Registrar, Tricor Standard Limited will change its address from 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong to Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong will effect from 31 March 2014.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Audit Committee

The Audit Committee met in March 2014 and reviewed the systems of internal control and compliance and the annual report for the year ended 31 December 2013.

Corporate Governance

During the year ended 31 December 2013, the Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), with the exception that the roles of the chairman and the chief executive officer of the Company have not been segregated as required by code provision A.2.1 of the CG Code. The Board of Directors is of the view that it is in the best interest of the Company that Dr Lee Shau Kee, with his profound expertise in business, shall continue in his dual capacity as the Chairman and Managing Director.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code of the Listing Rules as the code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code.

Adoption of New Articles of Association

The new Companies Ordinance (Chapter 622, Laws of Hong Kong) (the "New Companies Ordinance") came into effect on 3 March 2014. The Company proposes to put forward to shareholders for approval at the forthcoming annual general meeting a special resolution to adopt the new Articles of Association so as to replace the existing Articles of Association of the Company. The proposed new Articles of Association mainly reflects certain changes under the New Companies Ordinance. Details will be set out in the circular to be sent to the shareholders together with the 2013 Annual Report.

By Order of the Board
Timon LIU Cheung Yuen
Company Secretary

Hong Kong, 20 March 2014

As at the date of this announcement, the Board comprises: (1) executive directors: Lee Shau Kee (Chairman),Lee Ka Kit, Lam Ko Yin, Colin, Lee Ka Shing and Lee Tat Man; and (2) independent non-executive directors: Kwong Che Keung, Gordon, Ko Ping Keung, Wu King Cheong and Leung Hay Man.