

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HONG KONG FERRY (HOLDINGS) COMPANY LIMITED

香港小輪（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 50)

2014 RESULTS ANNOUNCEMENT

BUSINESS RESULTS

The Group's consolidated profit after taxation for the year ended 31 December 2014 amounted to approximately HK\$1,031 million, an increase of 251% as compared with the profit after taxation of HK\$293 million last year. The earnings per share this year were HK\$2.89 compared with the earnings per share of HK\$0.82 in the previous year.

Consolidated Statement of Profit or Loss

For the year ended 31 December 2014

	Note	2014 HK\$'000	2013 HK\$'000
Turnover	3(a)	3,506,967	440,241
Cost of sales		<u>(2,246,278)</u>	<u>(230,822)</u>
		1,260,689	209,419
Other revenue	3(a) & 4	48,967	57,293
Other net income	4	1,513	125,872
Valuation gains on investment properties	3(d)	141,676	93,100
Impairment loss on available-for-sale securities		(15,790)	(25,481)
Selling and marketing expenses		(115,799)	(56,839)
Administrative expenses		(43,933)	(47,102)
Other operating expenses		<u>(53,992)</u>	<u>(44,064)</u>
Profit from operations	3(b)	1,223,331	312,198
Share of profits less losses of associates		<u>818</u>	<u>999</u>
Profit before taxation	5	1,224,149	313,197
Taxation	6	<u>(192,738)</u>	<u>(19,760)</u>
Profit attributable to equity shareholders of the Company		<u><u>1,031,411</u></u>	<u><u>293,437</u></u>
Earnings per share			
– Basic and diluted	9	<u><u>\$2.89</u></u>	<u><u>\$0.82</u></u>

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 2014*

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000
Profit attributable to equity shareholders of the Company		<u>1,031,411</u>	<u>293,437</u>
Other comprehensive income for the year (after tax and reclassification adjustments)	8		
Item that will not be reclassified to profit or loss:			
Remeasurement of employee benefits assets		(1,107)	976
Item that may be reclassified subsequently to profit or loss:			
Available-for-sale securities:			
net movement in the securities revaluation reserve		<u>54,479</u>	<u>(122,452)</u>
Other comprehensive income for the year		<u>53,372</u>	<u>(121,476)</u>
Total comprehensive income attributable to equity shareholders of the Company		<u><u>1,084,783</u></u>	<u><u>171,961</u></u>

Consolidated Statement of Financial Position

At 31 December 2014

		2014	2013
	Note	HK\$'000	HK\$'000
Non-current assets			
Fixed assets			
– Investment properties		1,880,200	1,251,900
– Other property, plant and equipment		66,631	69,692
– Interest in leasehold land		<u>44,507</u>	<u>45,876</u>
		1,991,338	1,367,468
Interest in associates		13,624	16,643
Available-for-sale securities		521,165	400,788
Employee benefits assets		1,420	4,107
Deferred tax assets		<u>5,860</u>	<u>14,527</u>
		2,533,407	1,803,533
Current assets			
Inventories		1,084,599	2,882,440
Trade and other receivables	10	893,574	1,931,169
Cash and bank balances		2,530,827	1,759,565
Tax recoverable		<u>35,412</u>	<u>36,557</u>
		4,544,412	6,609,731
Current liabilities			
Trade and other payables	11	1,027,561	3,157,737
Tax payable		<u>188,298</u>	<u>40,281</u>
		1,215,859	3,198,018
Net current assets		<u>3,328,553</u>	<u>3,411,713</u>
Total assets less current liabilities		5,861,960	5,215,246
Non-current liability			
Deferred tax liabilities		<u>38,929</u>	<u>28,093</u>
NET ASSETS		<u>5,823,031</u>	<u>5,187,153</u>
CAPITAL AND RESERVES			
Share capital: nominal value		–	356,274
Other statutory capital reserves		–	<u>1,398,527</u>
Share capital and other statutory capital reserves		1,754,801	1,754,801
Other reserves		<u>4,068,230</u>	<u>3,432,352</u>
TOTAL EQUITY		<u>5,823,031</u>	<u>5,187,153</u>

Notes to the Financial Statements

1. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- 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) 21, *Levies*

These developments have had no material impact on the Group’s consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development: development and sale of properties.

3. SEGMENT INFORMATION (Continued)

- Property investment: leasing of properties.
- Ferry, shipyard and related operations: operation of dangerous goods vehicular ferry service, cruise vessels and ship repairs and maintenance services.
- Travel operation: management and operation of travel agency services.
- Securities investment: debt and equity securities investments.

Segment information is presented only in respect of the Group's business segments. No geographical analysis is shown as less than 10% of the Group's revenue and profit from operations were derived from activities outside Hong Kong.

Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The segment information for the years ended 31 December 2014 and 2013 about these reportable segments is presented below:

(a) Segment revenue

	Total revenue		Elimination of inter-segment revenue		Revenue from external customers	
	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development	3,186,610	110,156	–	–	3,186,610	110,156
Property investment	75,215	69,811	60	74	75,155	69,737
Ferry, shipyard and related operations	137,644	137,035	3,010	2,132	134,634	134,903
Travel operation	118,968	132,611	428	913	118,540	131,698
Securities investment	16,147	36,326	–	–	16,147	36,326
Others	86,432	68,043	61,584	53,329	24,848	14,714
	<u>3,621,016</u>	<u>553,982</u>	<u>65,082</u>	<u>56,448</u>	<u>3,555,934</u>	<u>497,534</u>
Analysed by:						
Turnover					3,506,967	440,241
Other revenue					<u>48,967</u>	<u>57,293</u>
					<u>3,555,934</u>	<u>497,534</u>

The principal activities of the Group are property development, property investment, ferry, shipyard and related businesses, travel operation, and securities investment.

Turnover represents gross income from the sale of properties, sales value of goods delivered to customers, income from services rendered, rental income, interest income and dividend income.

3. SEGMENT INFORMATION (Continued)

(b) Segment result

	Reportable segment profit	
	2014	2013
	HK\$'000	HK\$'000
Property development	1,023,352	29,336
Property investment (note 3(d))	176,186	131,579
Ferry, shipyard and related operations	8,228	34,004
Travel operation	(8,130)	(3,329)
Securities investment	(293)	114,274
Others (note 3(e))	23,988	6,334
	<u>1,223,331</u>	<u>312,198</u>

(c) Reconciliation of reportable segment profit

	2014	2013
	HK\$'000	HK\$'000
Reportable segment profit derived from external customers	1,223,331	312,198
Share of profits less losses of associates	<u>818</u>	<u>999</u>
Profit before taxation in the consolidated statement of profit or loss	<u>1,224,149</u>	<u>313,197</u>

(d) The segment result of the “Property investment” included valuation gains on investment properties of HK\$141,676,000 (2013: HK\$93,100,000).

(e) The segment result of “Others” mainly comprises interest income, corporate expenses and exchange gains/losses.

(f) Other segment information

	Depreciation and amortisation		Impairment loss/ (reversal of impairment losses)		Capital expenditure incurred	
	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property investment	6	13	–	(24)	486,624	10
Ferry, shipyard and related operations	6,465	6,534	(50)	–	2,301	1,619
Travel operation	171	127	250	–	326	291
Securities investment	–	–	15,790	25,481	–	–
Others	<u>687</u>	<u>754</u>	<u>–</u>	<u>324</u>	<u>272</u>	<u>143</u>
	<u>7,329</u>	<u>7,428</u>	<u>15,990</u>	<u>25,781</u>	<u>489,523</u>	<u>2,063</u>

4. OTHER REVENUE AND NET INCOME

	2014 HK\$'000	2013 HK\$'000
Other revenue		
Management fee income	11,149	10,216
Air-conditioning charges income	7,891	7,197
Other interest income	20,874	26,281
Other income	<u>9,053</u>	<u>13,599</u>
	<u>48,967</u>	<u>57,293</u>
Other net income		
Net profit on sale of available-for-sale securities	–	104,442
Net profit on disposal of other property, plant and equipment	–	18,153
Net exchange loss	(738)	(45)
Net profit on disposal of investment properties	–	2,250
Net profit on disposal of unlisted investment	658	–
Income from sale of spare parts	771	501
Sundry income	<u>822</u>	<u>571</u>
	<u>1,513</u>	<u>125,872</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Staff costs:

	2014 HK\$'000	2013 HK\$'000
Expense recognised in respect of defined benefit retirement plan	1,580	1,671
Contributions to defined contribution retirement plan	<u>2,725</u>	<u>2,658</u>
Total retirement costs	4,305	4,329
Salaries, wages and other benefits	<u>88,534</u>	<u>82,144</u>
	<u>92,839</u>	<u>86,473</u>

5. PROFIT BEFORE TAXATION (Continued)

(b) Other items:

	2014 HK\$'000	2013 HK\$'000
Amortisation of leasehold land premium	1,369	1,369
Depreciation	5,960	6,059
Cost of inventories	2,052,562	43,061
Auditor's remuneration		
– audit services	1,630	1,608
– other services	305	283
Operating lease charges: minimum lease payments – property rentals	5,707	4,971
Impairment losses/(reversal of impairment losses) on trade and other receivables	200	(24)
Impairment loss on amount due from an associate	–	324
Rentals receivable from investment properties less direct outgoings of HK\$29,919,000 (2013: HK\$24,770,000)	(25,322)	(27,006)
Rentals receivable from operating leases, other than those relating to investment properties, less direct outgoings of HK\$982,000 (2013: HK\$973,000)	(5,250)	(7,804)
Interest income	(45,354)	(40,473)
Dividend income from listed investments	<u>(15,376)</u>	<u>(23,018)</u>

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2014 HK\$'000	2013 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	161,500	19,920
Under/(over)-provision in respect of prior years	<u>11,735</u>	<u>(221)</u>
	173,235	19,699
Deferred tax		
Origination and reversal of temporary differences	<u>19,503</u>	<u>61</u>
	<u>192,738</u>	<u>19,760</u>

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Government of Hong Kong Special Administrative Region of 75% of the tax payable for the year of assessment 2013–14 subject to a maximum reduction of HK\$10,000 for each business (2013: the same statutory concession was granted for the year of assessment 2012–13 and was taken into account in calculating the provision for 2013).

7. DIVIDENDS

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

	2014 HK\$'000	2013 HK\$'000
Interim dividend declared and paid of HK10 cents (2013: HK10 cents) per ordinary share	35,627	35,627
First special dividend declared and paid of HK90 cents (2013: Nil) per ordinary share	320,647	–
Final dividend proposed after the end of the reporting period of HK26 cents (2013: HK26 cents) per ordinary share	92,631	92,631
Second special dividend proposed after the end of the reporting period of HK30 cents (2013: Nil) per ordinary share	<u>106,882</u>	<u>–</u>
	<u><u>555,787</u></u>	<u><u>128,258</u></u>

The final and second special dividends proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period.

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

	2014 HK\$'000	2013 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK26 cents (2013: HK26 cents) per ordinary share	<u>92,631</u>	<u>92,631</u>

8. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income, including reclassification adjustments

	2014 HK\$'000	2013 HK\$'000
Remeasurement of employee benefits assets	(1,107)	976
Available-for-sale securities		
Changes in fair value recognised during the year	38,689	(40,437)
Reclassification adjustments for amounts transferred to profit or loss:		
– gains on disposal	–	(107,496)
– impairment losses	<u>15,790</u>	<u>25,481</u>
Net movement in the securities revaluation reserve during the year recognised in other comprehensive income	<u><u>54,479</u></u>	<u><u>(122,452)</u></u>
Other comprehensive income	<u><u>53,372</u></u>	<u><u>(121,476)</u></u>

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$1,031,411,000 (2013: HK\$293,437,000) and 356,273,883 (2013: 356,273,883) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares in existence during the years 2014 and 2013, therefore diluted earnings per share are the same as basic earnings per share for both years.

10. TRADE AND OTHER RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Trade receivables	180,762	206,099
Less: allowance for doubtful debts	<u>—</u>	<u>—</u>
	180,762	206,099
Cash held by stakeholders	648,216	1,585,008
Other receivables and prepayments	<u>64,596</u>	<u>140,062</u>
	<u>893,574</u>	<u>1,931,169</u>

All of the trade and other receivables except for instalment receivables of HK\$98,497,000 (2013: HK\$131,358,000) are expected to be recovered or recognised as expense within one year. Included in the trade and other receivables are amounts due from related companies of HK\$38,120,000 (2013: HK\$60,902,000) which are unsecured, interest-free and have no fixed terms of repayment.

Ageing analysis

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis at the end of the reporting period:

	2014 HK\$'000	2013 HK\$'000
Current	151,119	173,885
1 to 3 months overdue	25,761	20,825
More than 3 months but less than 12 months overdue	2,575	10,405
More than 12 months overdue	<u>1,307</u>	<u>984</u>
	<u>180,762</u>	<u>206,099</u>

Trade debtors are due ranging from 7 to 45 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balances before any further credit is granted.

11. TRADE AND OTHER PAYABLES

All of the trade and other payables are expected to be settled or recognised as income within one year except for an amount of HK\$7,622,000 (2013: HK\$7,093,000) of the Group. Included in the trade and other payables are amounts due to related companies of HK\$568,502,000 (2013: HK\$425,929,000) which are unsecured, interest-free and have no fixed terms of repayment.

Included in trade and other payables are trade payables with the following ageing analysis at the end of the reporting period:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Due within 1 month or on demand	665,918	441,231
Due after 1 month but within 3 months	915	997
Due after 3 months but within 12 months	–	–
More than 12 months	<u>8</u>	<u>8</u>
	<u>666,841</u>	<u>442,236</u>

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend for the year ended 31 December 2014 of HK26 cents per share (2013: HK26 cents per share). The Board of Directors further recommended the payment of a second special dividend for the year ended 31 December 2014 of HK30 cents per share (2013: Nil). Subject to shareholders' approval at the annual general meeting to be held on Tuesday, 26 May 2015, the final dividend and the second special dividend will be paid on or about Monday, 15 June 2015 to shareholders whose names appear on the register of members of the Company on Friday, 5 June 2015. The final dividend and the second special dividend, together with the interim dividend of HK10 cents and the first special dividend of HK90 cents per share already paid, will make a total distribution of HK\$1.56 for the full year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Friday, 22 May 2015 and Tuesday, 26 May 2015, during which period no requests for transfer of shares will be accepted. In order to determine members who are entitled to attend and vote at the forthcoming annual general meeting (or any adjournment thereof), all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 21 May 2015.

In addition, the Register of Members of the Company will be closed on Thursday, 4 June 2015 and Friday, 5 June 2015, during which period no requests for transfer of shares will be accepted. In order to qualify for the proposed final dividend and the second special dividend for the year, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 3 June 2015.

BUSINESS REVIEW

During the year under review, profit for the Group was mainly derived from the sale of the residential units of Green Code.

Property Development and Investment Operations

In 2014, the Group's profit derived from the sale of 699 residential units of Green Code and the rental and other income from the commercial arcade amounted to HK\$1,092 million.

The commercial arcades of Shining Heights and The Spectacle were fully let whereas the occupancy rate of the commercial arcade of Metro Harbour View was about 98% at the year end.

The sale of residential units of METRO6 at No. 121 Bulkeley Street, Hung Hom has been carried out in phases. The response from pre-sale was satisfactory. More than half of the residential units had been sold. This residential-cum-commercial tower provides a total gross floor area of approximately 56,000 sq. ft. and comprises 95 residential units. The occupation permit has been issued in February 2015 and accordingly the sale turnover will be duly included in the unaudited interim financial statements of the Group in 2015.

Upon obtaining the response on the clarification on the land use under the crown lease from the relevant Government authorities, the Group will review the further development of 208 Tung Chau Street project.

Ferry, Shipyard and Related Operations

The Ferry, Shipyard and related operations recorded a decline of 76% in operating profit to HK\$8.2 million this year as compared with last year, largely due to the absence of a one-off gain from the disposal of oil barges. The operating results of Harbour Cruise - Bauhinia showed a decrease of 71% to HK\$1.1 million this year due to the reduction in marginal profit.

Travel Operation

Due to the negative impact of the "Occupy Central" movement, the operating results of the Travel Operation doubled in deficit to HK\$8.1 million this year.

Securities Investment

An impairment loss of HK\$15.8 million was made against the Group's available-for-sale securities investment during this year.

FINANCIAL REVIEW

Review of Results

The Group's turnover for the year amounted to approximately HK\$3,507 million, representing an increase of 697% when compared to the previous year. This was mainly attributed to the sale of residential units of Green Code.

FINANCIAL REVIEW (Continued)

Liquidity, Financial Resources and Capital Structure

As of 31 December 2014, shareholders' fund of the Group showed an increase of around 12.3% as compared to the previous year and amounted to approximately HK\$5,823 million. The increase was mainly due to net effect of the profit realised from the sale of residential units of Green Code, the gains on revaluation of the Group's investment properties and the payment of dividends.

There was no change as to the capital structure of the Group during the year. Funding for the Group's activities during the year under review was mainly generated from the sale of residential units of Green Code.

During the year, there was no material acquisition and disposal of subsidiary and associate. A net repayment of approximately HK\$2.3 million was received from an associate which provided mortgage loans to buyers of residential units of Metro Harbour View.

Current assets of the Group were recorded at approximately HK\$4,544 million as compared to the current liabilities of approximately HK\$1,216 million as of 31 December 2014. Current ratio of the Group had been increased to 3.7, mainly attributed to the decrease in trade and other payables.

Gearing Ratio and Financial Management

As there was no borrowing as at 31 December 2014, no gearing ratio, which is calculated on the basis of bank borrowing as a ratio of the Group's shareholders' fund, was shown. Assets of the Group had not been charged to any third parties in the year under review.

The Group's financing and treasury activities were managed centrally at the corporate level. Financing facilities extended to the Group were denominated in Hong Kong dollar.

Employees

As at 31 December 2014, the number of employees of the Group stood at about 300 (2013: about 300). The remuneration packages to employees were commensurable to the market trend and levels of pay in similar industries. A discretionary year-end bonus was paid to employees based on individual performance. Other benefits to employees included medical insurance, retirement scheme, training programmes and educational subsidies. Total employees' costs for the year amounted to approximately HK\$93 million, which was commensurate with that recorded in the previous year.

PROSPECTS

The market anticipation of a probable rise in US interest rate in 2015 has raised uncertainty to the global economy. Although the US has maintained its stable growth, the Eurozone and Japan embarked on quantitative easing policies. China has also cut interest rate to boost the economy. The growth momentum of the Chinese economy has slowed down after the past decades of sustained rapid growth. In early March 2015, Premier Li Keqiang announced that the increase in the GDP of China in 2015 would be around 7%, in order to adjust to a "New Normal" in the economy. Under the discordant economic performances of various countries around the world, it is expected that the Hong Kong economy will sustain growth, albeit with increment less than the average 3.9% in the past ten years.

PROSPECTS (Continued)

The local property market became more active in the second half of 2014, rising both in price and transaction volume. This was mainly due to the relatively low interest rate for mortgage and the strong demand on small to medium size residential flats. The transactions in first hand residential units in 2014 rose to approximately 16,000, a new high in seven years. Due to the escalation in property price, the Hong Kong Monetary Authority introduced in February 2015 new counter cyclical measures, reducing the maximum mortgage loan-to-value ratio to 60% for all self-use residential units below HK\$7 million. In the year under review, the Group had followed the market trend and slightly increased the selling prices of the properties held for sale, without jeopardizing the pace of the sale. The Group would pay attention to suitable tender or auction opportunities of Government lands to replenish the landbank in the future.

The proceeds from the sale of the remaining units in Green Code and METRO6 will be the major source of income of the Group in 2015. The Group would continue to look out for suitable investments to enhance the return for shareholders.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. In the opinion of the Board of Directors, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2014 and discussed with internal audit department and independent external auditor in respect of matters on auditing, internal control and financial reports of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code for dealing in securities of the Company by the directors. Having made specific enquiries, the Company confirmed that all directors had complied with the required standards set out in the Model Code throughout the year ended 31 December 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

On behalf of the Board
Lam Ko Yin, Colin
Chairman

On behalf of the Board
Li Ning
Director

Hong Kong, 18 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Lam Ko Yin, Colin (Chairman) and Mr. Li Ning; the non-executive directors are Mr. Au Siu Kee, Alexander, Mr. Lau Yum Chuen, Eddie, Dr. Lee Shau Kee and Mr. Wong Man Kong, Peter; and the independent non-executive directors are Mr. Ho Hau Chong, Norman, Mr. Leung Hay Man, Ms. Wong Yu Pok, Marina and Mr. Wu King Cheong.