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HKC (HOLDINGS) LIMITED

香港建設(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 190)

(Warrant Code: 1403)

(website: www.hkcholdings.com)

PROFIT WARNING FOR 2014

The Company wishes to advise the Shareholders and potential investors that the Group is expecting an overall loss for the full financial year ended 31 December 2014.

The Profit Warning in this announcement is unaudited and based on a preliminary assessment of the internal management accounts of the Group for the financial year 2014. **Shareholders and potential investors are advised to review carefully the Group's 2014 Annual Results expected to be published by the Company by the end of March 2015 and exercise caution in any dealing in the securities of the Company. If in doubt, they should consult their own professional advisers.**

WARNING : The Profit Warning in this announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers or dealings in the securities of the Company. They are also strongly advised to review the Composite Document to be despatched by the Offeror and the Company in full before making any decisions on the Offers or any dealings in the securities of the Company in connection with the Offers.

The board (the “**Board**”) of directors of HKC (Holdings) Limited (the “**Company**” or, together with its subsidiaries, the “**Group**”) makes this announcement for compliance with Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company wishes to advise the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expecting an overall loss for the full financial year ended 31 December 2014 (the "**financial year 2014**"). As set out in the Company's published interim results announcement dated 21 August 2014 for the six months ended 30 June 2014, the Group has made a provision for impairment losses in a total amount of approximately HK\$223.5 million for properties under development and held for sale. Such provision would impact on the overall results of the Group for the full financial year 2014.

The information above is unaudited and based on a preliminary assessment of the internal management accounts of the Group for the financial year 2014. The Company is currently finalizing its audited financial statements of the Group for the full financial year. As the Company expects to publish by the end of March 2015 a preliminary announcement of the Group's results for the full financial year 2014 (the "**2014 Annual Results**") which will be based on the Group's audited financial statements for the year in compliance with the Listing Rules, the information on the estimate of the Group's overall loss for financial year 2014 (the "**Profit Warning**") mentioned above therefore remains subject to review by the Company's auditors. **Shareholders and potential investors are advised to review carefully the 2014 Annual Results and exercise caution in any dealing in the securities of the Company. If in doubt, they should consult their own professional advisers.**

The Board also refers to the joint announcement dated 26 January 2015 (the "**Offer Announcement**") made by the Company and Creator Holdings Limited (the "**Offeror**") in relation to the Offers (as defined in the Offer Announcement) to be made by Somerley Capital Limited for and on behalf of the Offeror. Following the publication of the Offer Announcement, the Company is required to comply with the relevant requirements in the Code on Takeovers and Mergers (the "**Takeovers Code**") issued by the Securities and Futures Commission. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning is treated as a profit forecast. The Profit Warning would need to be reported on by the Company's financial advisers and auditors, and their reports must be included in the next document sent to the Shareholders under Rule 10.4 of the Takeovers Code. However, as contemplated in practice note 2 issued by the Executive (as defined in the Offer Announcement), the Profit Warning is permitted to be published without full compliance with Rule 10.4 because the only reason for publication of the Profit Warning is that it is required by the laws and regulations as mentioned above (and is not otherwise proposed to be published by the Company) and the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 having regard to the legal obligations to publish the Profit Warning as soon as practicable.

As stated in the Offer Announcement, the Composite Document (as defined in that Offer Announcement) in relation to the Offers is expected to be despatched on or before 13 April 2015, unless the consent of the Executive is applied for and granted for extension of the time limit for its despatch. Since the 2014 Annual Results will in any event have been announced by the Company before the date of despatch of the Composite Document as currently scheduled or as may be extended with the Executive's consent, the Company is prepared to include the 2014

Annual Results in the Composite Document in compliance with the Takeovers Code. The requirements to report on the Profit Warning under Rule 10.4 will be superseded by inclusion of the published 2014 Annual Results in the Composite Document.

WARNING : The Shareholders and potential investors in the Company should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers or any dealings in the securities of the Company in connection with the Offers. They are also strongly advised to review the Composite Document to be despatched by the Offeror and the Company in full before making any decisions on the Offers or any dealings in the securities of the Company in connection with the Offers.

By order of the Board
HKC (HOLDINGS) LIMITED
OEI Kang, Eric
Executive Director and Chief Executive Officer

Hong Kong, 18 March 2015

As at the date of this announcement, the Board comprises nine directors, of which Mr. OEI Kang, Eric, Mr. CHAN Kwok Fong, Joseph, Mr. LEE Shiu Yee, Daniel and Mr. WONG Jake Leong, Sammy are executive directors; Mr. OEI Tjie Goan and Ms. YEN Teresa are non-executive directors; and Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior are independent non-executive directors.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement contained in this announcement misleading.

* *For identification purposes only*