

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.



ANNOUNCEMENT OF 2015 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS			
	Year 2015	Year 2014	% Change
	HK\$'M	HK\$'M	
Revenue	2,934.0	2,330.4	+25.9%
Gross profit	1,234.7	1,118.1	+10.4%
Operating profit before depreciation, finance costs and tax	873.2	1,201.9	-27.3%
Profit for the year attributable to equity holders of the parent	4.6	196.6	-97.7%
Basic earnings per ordinary share attributable to equity holders of the parent	HK0.14 cent	HK6.13 cents	-97.7%
Proposed final dividend per ordinary share	HK1.37 cents	HK2.00 cents	-31.5%
Total dividends for the year per ordinary share	HK2.00 cents	HK2.63 cents	-24.0%
	As at 31st December, 2015	2014	
	(Unaudited)	(Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent	HK\$2.65	HK\$2.66	-0.4%

- **The substantially lower profit achieved for the year was primarily attributable to the fact that the comparative profit attained in the preceding year included a number of one-off items. Moreover, due to the decrease in the number of visitor arrivals to Hong Kong, the performance of the hotel industry in Hong Kong in 2015 as a whole has been adversely affected. Hence, the operating results of the hotels of the Group in Hong Kong, being one of its core business operations, for the year have also been impacted, as compared to the levels achieved in 2014.**
- **The Group's operating profit before depreciation, finance costs and tax for the year amounted to HK\$873.2 million (2014 – HK\$1,201.9 million, which included a number of one-off gains).**
- **Depreciation charges in an aggregate amount of HK\$500.6 million have been provided on the Group's hotel properties in Hong Kong for the year under review which, though having no impact on cash flow, have adversely affected the overall reported profit. In addition, depreciation charges on the Group's aircraft fleet for the year amounted to HK\$49.5 million.**
- **The Group first initiated in July 2012 the investment in the aircraft ownership and leasing businesses, with the acquisition by a wholly owned subsidiary of the Company of an 84.9% effective interest in a Boeing 737-800 aircraft. Regal Hotels International Holdings Limited, a listed subsidiary of the Group, has since, through the same business platform, made substantial investments in this new business sphere.**
- **Recently in March this year, the Group entered into a letter of intent, through the appointed aircraft manager, for the proposed acquisition of a Boeing 737-300F freighter aircraft, which is intended to be leased to a logistics operator under a finance lease arrangement.**
- **The Group as a whole is planning to further expand its aircraft ownership and leasing businesses, including the scale as well as the composition of the aircraft fleet, and is also investing more resources in the operations of the business, with a view that this new line of business will be separately operated as an integrated business unit of the Group in the not too distant future.**

- **The Group has reactivated in June 2015 the financing business of Cityline Finance Limited, a wholly owned subsidiary of the Company with a money lender’s licence, presently primarily focused on property mortgage business.**
- **Century Innovative Technology group (CIT), a 48%-owned associate of the Group, is a dynamic edutainment company principally engaged in the production of high-quality education and entertainment multimedia content as well as related products and services for the family, focusing primarily on the China market. CIT’s flagship characters, *Bodhi and Friends*’ brand positioning and world-class content have attracted enormous interest among best-in-class licensing partners, and CIT is in the final stage of concluding a significant licensing deal with a global leading toy company. The introduction of the intellectual property to the international networks is expected to generate increasing distribution revenue and income via various forms of licensing. In the meantime, CIT is in the final discussions with a company operating one of the largest kindergarten chains in China to develop and distribute *Bodhi and Friends* subscription packs. Focusing on creative content and digital products, CIT has also been in deep discussions with prominent partners to drive the development of its PlayLab indoor edutainment centers, feature film and musical show production. Building on key strategic partnerships, CIT is set to become a leading player in the family edutainment space with robust potential to expand its business globally.**
- **Detailed information on the business operations of Paliburg Holdings Limited, Regal, Regal Real Estate Investment Trust and Cosmopolitan International Holdings Limited, the listed subsidiaries of the Company, are contained in their separate results announcements released today.**
- **Although the economic conditions in Hong Kong and globally may be faced with some uncertainties in the period ahead, the Directors are confident that with the Group’s solid asset base and strong liquidity, the Group is well poised for continuing growth.**

FINANCIAL RESULTS

For the year ended 31st December, 2015, the Group achieved a consolidated profit attributable to shareholders of HK\$4.6 million, as compared to the profit of HK\$196.6 million recorded for 2014.

As explained in the profit warning announcement of the Company dated 15th March, 2016, the substantially lower profit achieved for the year under review was primarily attributable to the fact that in the comparative profit attained in the preceding year, there were a number of one-off items including, in particular, the recovery of loans and related interest income in a sum of HK\$243.2 million by the Group, as disclosed in the annual report of the Company for the year ended 31st December, 2014. Moreover, due to the decrease in the number of visitor arrivals to Hong Kong, the performance of the hotel industry in Hong Kong in 2015 as a whole has been adversely affected. Hence, the operating results of the hotels of the Group in Hong Kong, being one of its core business operations, for the year have also been impacted, as compared to the levels achieved in 2014.

The Group's operating profit before depreciation, finance costs and tax for the year amounted to HK\$873.2 million (2014 – HK\$1,201.9 million, which as mentioned above included a number of one-off gains). However, as previously explained, as all the Group's hotel properties operating in Hong Kong are owned and operated within the Group, they are classified in the Group's consolidated financial statements as property, plant and equipment and are subject to depreciation to conform to currently applicable accounting standards. Accordingly, depreciation charges in an aggregate amount of HK\$500.6 million have been provided on such hotel properties in the financial results under review which, though having no impact on cash flow, have adversely affected the overall reported profit. In addition, depreciation charges on the Group's aircraft fleet for the year amounted to HK\$49.5 million.

BUSINESS OVERVIEW

The Century City Group comprises a total of five listed entities in Hong Kong, As the ultimate holding company of the Group, the Company held as at the last year end date

approximately 62.2% shareholding in Paliburg Holdings Limited, its intermediate listed subsidiary, and the core hotel and property businesses of the Group are conducted through different subsidiaries of Paliburg.

Regal Hotels International Holdings Limited, a listed subsidiary approximately 66.9% held by Paliburg as at 31st December, 2015, primarily undertakes the Group's hotel businesses. Apart from engaging in hotel operating and management businesses, Regal has a significant portfolio of diversified business interests and held approximately 74.6% of the outstanding units of Regal Real Estate Investment Trust, a listed subsidiary of Regal which owns all the eight operating Regal and iclub Hotels in Hong Kong.

On the other hand, the property businesses of the Group are principally conducted through P&R Holdings Limited, which is a joint venture 50:50 owned by each of Paliburg and Regal. As Regal is a subsidiary of the Company held through Paliburg, P&R Holdings is effectively also a subsidiary of the Company. As at 31st December, 2015, P&R Holdings held an effective controlling shareholding interest of approximately 71.8% in Cosmopolitan International Holdings Limited (comprising interests in its ordinary shares and convertible preference shares) and, in addition, substantial interests in the convertible bonds of Cosmopolitan. Cosmopolitan is consequently also a listed member of the Group, which is principally focused on property development and investment in the People's Republic of China and other investment businesses.

The Group first initiated in July 2012 the investment in the aircraft ownership and leasing businesses, with the acquisition by a wholly owned subsidiary of the Company of an 84.9% effective interest in a Boeing 737-800 aircraft. Regal has since, through the same business platform, made substantial investments in this new business sphere. As at 31st December, 2015, the Regal group owned a fleet of 14 aircraft, including two Airbus 321 model aircraft and 12 Embraer ERJ-135 and ERJ-145 model aircraft.

Recently in March this year, a wholly owned subsidiary of the Company entered into a letter of intent, through the appointed aircraft manager, for the proposed acquisition of a Boeing 737-300F freighter aircraft, which is intended to be leased to a logistics operator under a finance lease arrangement.

The Group as a whole is planning to further expand its aircraft ownership and leasing businesses, including the scale as well as the composition of the aircraft fleet, and is also investing more resources in the operations of the business, with a view that this new line of business will be separately operated as an integrated business unit of the Group in the not too distant future.

In the meantime, the Group has reactivated in June 2015 the financing business of Cityline Finance Limited, a wholly owned subsidiary of the Company with a money lender's licence. The financing business is now primarily focused on property mortgage business and depending on market conditions, could extend to other retail lending businesses.

Century Innovative Technology group (CIT), a 48%-owned associate of the Group, is a dynamic edutainment company principally engaged in the production of high-quality education and entertainment multimedia content as well as related products and services for the family, focusing primarily on the China market. CIT's flagship characters, *Bodhi and Friends*' brand positioning and world-class content have attracted enormous interest among best-in-class licensing partners, and CIT is in the final stage of concluding a significant licensing deal with a global leading toy company. The introduction of the intellectual property to the international networks is expected to generate increasing distribution revenue and income via various forms of licensing. In the meantime, CIT is in the final discussions with a company operating one of the largest kindergarten chains in China to develop and distribute *Bodhi and Friends* subscription packs. Focusing on creative content and digital products, CIT has also been in deep discussions with prominent partners to drive the development of its PlayLab indoor edutainment centers, feature film and musical show production. Building on key strategic partnerships, CIT is set to become a leading player in the family edutainment space with robust potential to expand its business globally. Further detailed information in relation to the shareholding structure and business operations of CIT is contained in the section headed "Management Discussion and Analysis" in this announcement.

PALIBURG HOLDINGS LIMITED

For the year ended 31st December, 2015, Paliburg achieved a consolidated profit attributable to shareholders of HK\$21.5 million, as compared to the profit of HK\$283.7 million recorded for 2014.

Further information on the principal business operations and outlook of Paliburg, including its Management Discussion and Analysis, is contained in Paliburg's announcement separately released today.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2015, Regal achieved a consolidated profit attributable to shareholders of HK\$119.0 million, as compared to the profit of HK\$410.3 million attained in 2014.

Further information on the principal business operations and outlook of Regal, including its Management Discussion and Analysis, is contained in Regal's announcement separately released today.

REGAL REAL ESTATE INVESTMENT TRUST

For the year ended 31st December, 2015, Regal REIT recorded a consolidated net loss before distributions to Unitholders of HK\$1,527.8 million, while for financial year in 2014, a consolidated net profit of HK\$238.5 million was reported.

Further information on the principal business operations and outlook of Regal REIT, including its Management Discussion and Analysis, is contained in Regal REIT's announcement separately released today.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2015, Cosmopolitan recorded a consolidated loss attributable to shareholders of HK\$344.9 million, as compared to a loss of HK\$127.4 million for year 2014.

Further information on the principal business operations and outlook of Cosmopolitan, including its Management Discussion and Analysis, is contained in Cosmopolitan's announcement separately released today.

OUTLOOK

Although the economic conditions in Hong Kong and globally may be faced with some uncertainties in the period ahead, the Directors are confident that with the Group's solid asset base and strong liquidity, the Group is well poised for continuing growth.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's significant investments and principal business activities mainly comprise property development and investment, construction and building related businesses, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial assets investments.

The principal businesses of Paliburg, the Group's listed intermediate subsidiary, comprise its investment in Regal, its property development and investment businesses (including those undertaken in Hong Kong through P&R Holdings, the joint venture with Regal, and those in the People's Republic of China through Cosmopolitan, which is a listed subsidiary of P&R Holdings), construction and building related businesses, and other investment businesses. The

business review of Paliburg during the year, the commentary on the property sectors in which the Paliburg group operates and the changes in the general market conditions and the potential impact on their operating performance and future prospects are contained in the separate results announcements for 2015 released by Paliburg and Cosmopolitan.

The significant investments and business interests of Regal comprise hotel ownership business undertaken through Regal REIT, hotel operation and management businesses, asset management of Regal REIT, property development and investment, including those undertaken through the joint venture in P&R Holdings and the interest in the retained houses in Regalia Bay in Stanley, aircraft ownership and leasing and other investment businesses. The performance of Regal's hotel, property and other investment businesses as well as that of Regal REIT during the year under review, the commentary on the hotel and property sectors in which the Regal group operates and the changes in general market conditions and the potential impact on their operating performance and future prospects are contained in the separate results announcements for 2015 released by Regal and Regal REIT.

The Group has no immediate plans for material investments or capital assets, other than those as disclosed in the above sections headed "Business Overview" and "Outlook" and in this sub-section.

CENTURY INNOVATIVE TECHNOLOGY GROUP (CIT)

The Group effectively owns an aggregate of 48% interests (comprising 36% held by the Regal group and 12% held through wholly owned subsidiaries of the Company) in 8D Matrix Limited, an associate of the Group, which wholly owns CIT. The remaining 52% interest in 8D Matrix is held by private companies owned by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of the Company. CIT is a dynamic edutainment company principally engaged in the production of high-quality education and entertainment multimedia content as well as related products and services for the family, focusing primarily on the China market. CIT's flagship property "*Bodhi and Friends*" has been created by Miss Lo Po Man, the daughter of Mr. Lo and a Vice Chairman and an Executive Director of the Company, and the intellectual property rights over such characters are beneficially owned by Miss Lo.

Building on the stunning success of its animation and music content, *Bodhi and Friends* has become a beloved and trusted household brand that inspires innovation, positive values and holistic development in children. CIT has produced over 2,000 minutes of award-winning 3D animated content based on its flagship *Bodhi and Friends* characters. Following the prime-time debut of the first season in 2014 in over 70 TV channels, the second season was launched in 2015 and achieved No.1 in terms of viewership ratings on China's two leading children channels, the CCTV (China Central Television) and the Hunan Television, during prime-time, and was consistently ranked among the top 5 when the program was re-run in the second half of the year. *Bodhi and Friends'* original music albums attained top rankings on iTunes around the world and won several international awards, demonstrating the brand's universal appeal.

Leveraging on the brand's surge in audience recognition, revenues are expected to be generated from three main areas of business: (i) content distribution and IP licensing; (ii) edutainment subscription packs; (iii) and family subscription service platform and digital products.

Bodhi and Friends' brand positioning and world-class content have attracted enormous interest among best-in-class licensing partners, making it one of the top brands originating from China to present proven global potential. *Bodhi and Friends* was recently licensed by Scholastic, one of the world's largest children's publishers. CIT is also in the final stage of concluding a significant licensing deal with a global leading toy company. To support the global expansion plans of the *Bodhi and Friends* franchise, CIT is collaborating with major international studios and distribution partners to bring its animation content to TV networks and digital platforms around the world. Meanwhile, the quality of the upcoming seasons will be further enhanced by the addition of Emmy-award-winning talent to the pre-production team. The introduction of the intellectual property to the international networks is expected to generate increasing distribution revenue and income via various forms of licensing.

The franchise is not only beloved by kids and trusted by parents but also endorsed by educational professionals. *Bodhi and Friends* is promoting moral education through an interactive karaoke game APP that will be distributed in primary schools across China. CIT's dedicated team of education, gaming and educational technology specialists has developed a

unique suite of mobile educational APPs designed to make learning fun and effective. CIT is in the final discussions with a company operating one of the largest kindergarten chains in China to develop and distribute *Bodhi and Friends* subscription packs, which will feature CIT's signature interactive language learning program, internet-connected learning aids and interactive edutainment games, and it also plans to introduce STEAM maker studio classrooms to nurture innovation through interactive learning experiences.

Capitalising on its online expertise, CIT will launch a professional family subscription service platform that offers adaptive edutainment content (animation, games and music) to children and intelligent customised services for parents. CIT is planning to launch before the end of this year a revolutionary mobile game with interactive gaming toys for the family. The launch of this subscription service model will enable CIT to build a loyal base of customer and generate stable revenue streams.

Focusing on creative content and digital products, CIT has also been in deep discussions with prominent partners to drive the development of its PlayLab indoor edutainment centers, feature film and musical show production. Building on key strategic partnerships, CIT is set to become a leading player in the family edutainment space with robust potential to expand its business globally.

P&R HOLDINGS LIMITED

P&R Holdings is a 50:50 owned joint venture established by Paliburg and Regal, with capital contributions provided by Paliburg and Regal on a pro-rata basis in accordance with their respective shareholdings in P&R Holdings, and is a subsidiary of Paliburg and the Company. The business scope of P&R Holdings is the development of real estate projects for sale and/or leasing, the undertaking of related investment and financing activities, and the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

Further information relating to the property development projects being undertaken and properties owned by the P&R Holdings group is set out below:

Hong Kong

Apart from the Shun Ning Road development project in Sham Shui Po, Kowloon and the latest Anchor Street/Fuk Tsun Street development project in Tai Kok Tsui, Kowloon, both of which are being undertaken pursuant to the development contracts awarded by the Urban Renewal Authority of Hong Kong, all of the following ongoing development projects and properties are wholly owned by P&R Holdings group.

*Lot No.4309 in Demarcation District No.124, Tan Kwai Tsuen Road,
Yuen Long, New Territories*

This residential project has a site area of approximately 11,192 square metres (120,470 square feet) and providing a total of 170 units, comprising 36 luxurious garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet). The presale programme for the units in the apartment block, named Domus, was formally launched in June 2015 and all the 134 units were sold in one day. The sale programme for the 36 garden houses, named Casa Regalia, which constitute the main component of the development, is planned to be launched in the second quarter this year. The occupation permit for the project has been issued in the fourth quarter of 2015 and the certificate of compliance is anticipated to be obtained shortly.

Nos.8, 8A, 10, 10A, 12 and 12A Ha Heung Road, To Kwa Wan, Kowloon

The project has an aggregate site area of approximately 700 square metres (7,535 square feet) and is being developed into a hotel with 340 guestrooms, having total gross floor area of approximately 6,298 square metres (67,790 square feet) and covered floor area of approximately 9,490 square metres (102,160 square feet). The superstructure works have been substantially completed and the occupation permit is expected to be issued in the fourth quarter of 2016.

Sha Tin Town Lot No.482 at Po Tai Street, Ma On Shan, Sha Tin, New Territories

This development site has a site area of 5,090 square metres (54,788 square feet) and a maximum permissible gross floor area of 15,270 square metres (164,364 square feet). The site is planned to be developed into a shopping mall. The foundation works have been completed and the superstructure works contract has been awarded. The project is scheduled to be completed in 2017 and is intended to be retained for rental income.

Sha Tin Town Lot No.578, Area 56A, Kau To, Sha Tin, New Territories

The project has a site area of 17,476 square metres (188,100 square feet) and is planned for a luxurious residential development comprising 7 mid-rise apartment blocks with about 136 units, 24 detached garden houses and 198 carparking spaces, with aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The general building plans for the development have been approved and the site formation works and foundation works are expected to be completed in the second quarter of 2016. The completion of this development is presently scheduled for 2018.

Nos.5-7 Bonham Strand West and Nos.169-171 Wing Lok Street, Sheung Wan

The project has an aggregate site area of approximately 345 square metres (3,710 square feet) and is planned for the development of a hotel with 98 guestrooms and suites, with total gross floor area of approximately 5,236 square metres (56,360 square feet) and covered floor area of approximately 6,420 square metres (69,120 square feet). The foundation works have been completed and further construction works will be proceeded with when the technical problems in relation to the adjoining building are resolved.

Nos.69-83 Shun Ning Road, Sham Shui Po, Kowloon

This is a joint venture project awarded by the Urban Renewal Authority of Hong Kong through a tender process in March 2014. The land has a site area of 824.9 square metres (8,879 square feet) and is planned for a commercial/residential development with total gross floor area of 7,159 square metres (77,059 square feet), providing 157 residential units, 2 storeys of shops and 1 storey of basement carpark. The superstructure works are in progress and the development is scheduled to be completed in 2017. The presale of the units in this development is planned to be marketed in the second quarter of this year.

Anchor Street/Fuk Tsun Street, Tai Kok Tsui, Kowloon

This is a hotel development project also awarded by the Urban Renewal Authority of Hong Kong through a tender process in June 2015. The project has a site area of 725.5 square metres (7,809 square feet) and total permissible gross floor area of approximately 6,529 square metres (70,278 square feet) and is planned to be developed into a multi-storey hotel building comprising about 288 guest rooms, with ancillary accommodation. The general building plans have been submitted to the Building Authority for approval.

Rainbow Lodge, 9 Ping Shan Lane, Tong Yan San Tsuen, Yuen Long, New Territories

These properties comprise ten residential duplex units with gross area of approximately 1,832 square metres (19,720 square feet) and 14 car parks in a completed residential development. The sale programme was launched in August 2015 and all the ten residential units and 13 car parks were sold within a short period of time.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of P&R Holdings. Further information relating to the property projects currently undertaken by the Cosmopolitan group in the People's Republic of China, all of which are wholly owned, is set out below:

Property Development

Chengdu Project

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of hotel, commercial, office, service apartments and residential components, with an overall total gross floor area of approximately 497,000 square metres. The first stage of the development includes a hotel with 306 hotel rooms and extensive facilities and three residential towers with about 340 residential units with car parking spaces and ancillary commercial accommodation. The construction works for these three residential towers are expected to be completed before the end of this year and the units presale is anticipated to be launched in the second quarter this year. Having considered the current local market environment, a series of business remodeling works are being planned for the hotel, which is now anticipated to be completed in phases from early 2017. The second stage of the

development comprises six residential towers with about 960 units, the construction works for which are in progress and are scheduled to be completed in the second quarter of 2017. Presale of the units is expected to be launched before the end of this year. The other components comprised within the overall development will continue to be developed in stages.

Tianjin Project

Located in the Hedong District in Tianjin, this project entails a development site with total site area of about 31,700 square metres, which is planned for a mixed use development comprising commercial, office and residential components with total gross floor area of about 145,000 square metres. The sub-structure works for the project have been completed and superstructure works of the four residential towers are progressing. The presale of the first two residential towers comprising 256 residential units has been launched in October 2015. Up to date, more than 96% of the units have been presold, realising contracted sale considerations in excess of RMB671 million. The remaining two residential towers with 256 residential units and the commercial complex comprising mainly shops of about 19,000 square metres are presently planned to be marketed for presale later this year. The entire development is anticipated to be completed in stages from 2017.

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (equivalent to approximately 1,228,700 square metres) within the project site will be available for commercial development after the requisite inspection, land grant listing and tender procedures are completed.

There has been some delay in the carrying out of the requisite remedial re-forestation works and the original schedule planned for the inspection by the relevant government authorities has been affected. The Cosmopolitan group has taken steps to reorganise the local management team and has also appointed professional advisers to co-ordinate and assist on

the necessary protective measures, with a view to restoring normal business operations for the project. Based on legal advice obtained, the legitimate interests of the Cosmopolitan group in this re-forestation and land grant contract remain valid and effective. The Cosmopolitan group is planning to have the required remedial re-forestation works carried out as soon as practicable, such that the inspection and measurement of the reforested area by the relevant government authorities can be resumed and the final procedures leading to the land grant listing and tender of the development land concluded. Should the Cosmopolitan group successfully secure the development land and depending on the permitted land use, the Cosmopolitan group preliminarily plans to develop on the land, in stages, a large scale mixed use development comprising residential, hotel, recreational and commercial properties.

HANG FOK PROPERTIES LIMITED

Hang Fok is an entity that is 50% beneficially owned by each of the Paliburg group and the Regal group and is effectively a subsidiary of the Group. Hang Fok holds equity interests in a joint venture project company involved in a development project in the Central Business District in Beijing, the PRC. As previously reported, Hang Fok was engaged in a series of legal actions in the PRC with the other joint venture parties in the Beijing project, some of which were initiated by Hang Fok to protect its equity interests in the Beijing project. Appropriate provisions had been made by Hang Fok in the prior years and the interest held by the Group in the project was carried in the consolidated financial statements at an insignificant amount as at 31st December, 2013. In the process of the legal actions taken, the other joint venture parties have funded the joint venture project company and procured the latter to deposit an amount of approximately RMB195 million into the court in the PRC in August 2014, as repayment proceeds of certain of the shareholder's loans, plus accrued interest thereon, made by Hang Fok to the joint venture project company. Accordingly, Hang Fok had written back loans receivable and recognised related interest income of approximately HK\$159.0 million and HK\$84.2 million respectively, which were reflected in the results of the Group in the financial year ended 31st December, 2014. The aforesaid sum of RMB195 million (net of incidental expenses) has been received by Hang Fok in February 2016 through payment from the PRC court and Hang Fok is pursuing further claims against the joint venture project company for other interest due. The Group will continue to exercise

strenuous efforts with a view to salvaging the value of the Group's interest in this development project.

FINANCIAL REVIEW

ASSETS VALUE

As at 31st December, 2015, the Group's net assets attributable to equity holders of the parent amounted to HK\$8,501.5 million, representing HK\$2.65 per ordinary share.

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

Property development projects in Hong Kong are financed partly by internal resources and partly by bank financing. Project financing is normally arranged in local currency to cover a part of the land cost and a major portion or the entire amount of the construction cost, with interest calculated by reference to the interbank offered rates and the loan maturity tied in to the estimated project completion date. Property development projects in the PRC are presently financed by internal resources and proceeds from the presale of the units. Project financing may be arranged in local currency on appropriate terms to cover a part of the land cost and/or construction cost, and with the loan maturity tied in to the estimated project completion date.

The Group's banking facilities are mostly denominated in Hong Kong dollar with interest primarily determined with reference to interbank offered rates, while its senior unsecured notes were denominated in US dollar and Hong Kong dollar with fixed coupon interest rates. The use of hedging instruments for interest rate purposes to cater to business and operational needs is kept under review by the Group's management from time to time. As the Hong Kong dollar is pegged to the US dollar, the exchange risks are considered to be insignificant and no

currency hedging has been deployed. As regards the Group's overseas investments which are based in currencies other than US dollar and Hong Kong dollar, the Group will consider hedging part or all of the investment amounts into US dollar or Hong Kong dollar to contain the Group's exposure to currency fluctuation.

Cash Flows

Net cash flows generated from operating activities during the year under review amounted to HK\$256.3 million (2014 – HK\$88.6 million). Net interest payment for the year amounted to HK\$277.2 million (2014 – HK\$299.9 million).

Borrowings and Gearing

As at 31st December, 2015, the Group had cash and bank balances and deposits of HK\$2,678.8 million (2014 – HK\$3,506.2 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$11,059.2 million (2014 – HK\$9,851.7 million).

As at 31st December, 2015, the gearing ratio of the Group was 29.3% (2014 – 26.3%), representing the Group's borrowings net of cash and bank balances and deposits of HK\$11,059.2 million (2014 – HK\$9,851.7 million), as compared to the total assets of the Group of HK\$37,738.8 million (2014 – HK\$37,391.8 million).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2015 are shown in the consolidated financial statements ("Financial Statements") contained in the annual report of the Company for the year ended 31st December, 2015 (the "2015 Annual Report") to be published on or before 30th April, 2016.

Pledge of Assets

As at 31st December, 2015, certain of the Group's property, plant and equipment, investment properties, properties held for sale, properties under development, available-for-sale investments, financial assets at fair value through profit or loss, held-to-maturity investments, bank deposits and bank balances in the total amount of HK\$18,745.8 million (2014 – HK\$17,861.1 million) were pledged to secure general banking facilities granted to the Group and, in addition, certain of the Group's bank deposits, bank balances, financial assets at fair

value through profit or loss and held-to-maturity investments in the amount of HK\$462.1 million (2014 – HK\$454.6 million) were pledged to secure bank guarantees procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2015, certain ordinary shares in a listed subsidiary with a market value of HK\$406.5 million (2014 – HK\$445.0 million) were also pledged to secure general banking facilities granted to the Group.

Capital Commitments

Details of the capital commitments of the Group as at 31st December, 2015 are shown in the Financial Statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 31st December, 2015 are shown in the Financial Statements.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK1.37 cents (2014 – HK2.00 cents) per ordinary share for the year ended 31st December, 2015. This proposed final dividend will absorb an amount of approximately HK\$43.9 million (2014 – HK\$64.1 million) and will be payable to the holders of ordinary shares on the Register of Ordinary Shareholders on 13th June, 2016.

Together with the interim dividend of HK0.63 cent (2014 – HK0.63 cent) per ordinary share paid in October 2015, total dividends per ordinary share for the year ended 31st December, 2015 will amount to HK2.00 cents (2014 – HK2.63 cents).

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Thursday, 2nd June, 2016. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Company and sent to the shareholders of the Company, together with the Company’s 2015 Annual Report, in due course.

CLOSURE OF REGISTER

The Register of Ordinary Shareholders of the Company will be closed during the following periods, and no transfers of shares will be effected during such periods:

- (i) from Tuesday, 31st May, 2016 to Thursday, 2nd June, 2016, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2016 Annual General Meeting. In order to be entitled to attend and vote at the 2016 Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company’s branch registrar in Hong Kong, Tricor Tengis Limited (the “Branch Registrar”), no later than 4:30 p.m. on Monday, 30th May, 2016; and
- (ii) from Wednesday, 8th June, 2016 to Monday, 13th June, 2016, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar no later than 4:30 p.m. on Tuesday, 7th June, 2016.

The relevant dividend warrants for the aforesaid final dividend are expected to be despatched on or about 23rd June, 2016.

YEAR END RESULTS

Consolidated Statement of Profit or Loss

	Year ended 31st December, 2015	Year ended 31st December, 2014
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	2,934.0	2,330.4
Cost of sales	(1,699.3)	(1,212.3)
Gross profit	1,234.7	1,118.1
Other income and gains (Note 3)	99.9	296.3
Fair value gains on investment properties, net	28.1	72.3
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	(13.2)	63.6
Impairment loss on property under development	(57.0)	–
Gain on bargain purchase	–	35.0
Property selling and marketing expenses	(46.7)	–
Administrative expenses	(372.6)	(383.4)
OPERATING PROFIT BEFORE DEPRECIATION	873.2	1,201.9
Depreciation	(582.0)	(525.9)
OPERATING PROFIT (Notes 2 & 4)	291.2	676.0
Finance costs (Note 5)	(229.4)	(236.0)
Share of profits and losses of associates	(24.8)	(22.0)
PROFIT BEFORE TAX	37.0	418.0
Income tax (Note 6)	(16.1)	18.7
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	20.9	436.7

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2015	Year ended 31st December, 2014
	HK\$'M	HK\$'M
Attributable to:		
Equity holders of the parent	4.6	196.6
Non-controlling interests	16.3	240.1
	<hr/> 20.9	<hr/> 436.7
	<hr/>	<hr/>
EARNINGS PER ORDINARY SHARE		
ATTRIBUTABLE TO EQUITY HOLDERS		
OF THE PARENT (Note 8)		
Basic and diluted	HK0.14 cent	HK6.13 cents
	<hr/>	<hr/>

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2015	Year ended 31st December, 2014
	HK\$'M	HK\$'M
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	20.9	436.7
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	51.0	43.4
Reclassification adjustment for gain on disposal included in the statement of profit or loss	–	(1.3)
	<u>51.0</u>	<u>42.1</u>
Cash flow hedges:		
Changes in fair value of cash flow hedges	(0.3)	(4.0)
Transfer from hedge reserve to the statement of profit or loss	1.2	6.0
	<u>0.9</u>	<u>2.0</u>
Exchange differences on translating foreign operations	(172.6)	(78.5)
Share of other comprehensive loss of associates	(0.1)	(3.1)
Other comprehensive loss for the year	<u>(120.8)</u>	<u>(37.5)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>(99.9)</u>	<u>399.2</u>
Attributable to:		
Equity holders of the parent	(33.4)	194.5
Non-controlling interests	(66.5)	204.7
	<u>(99.9)</u>	<u>399.2</u>

Consolidated Statement of Financial Position

	31st December, 2015	31st December, 2014
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	20,091.4	19,793.9
Investment properties	2,101.3	1,946.6
Properties under development	1,297.3	1,305.1
Investments in associates	23.3	29.9
Available-for-sale investments	215.3	159.6
Financial asset at fair value through profit or loss	1.9	1.9
Loans receivable	9.4	1.7
Deposits and prepayments	81.2	89.4
Deferred tax assets	79.1	62.4
Trademark	610.2	610.2
Goodwill	261.0	261.0
Other assets	0.2	0.2
Total non-current assets	24,771.6	24,261.9
CURRENT ASSETS		
Properties under development	6,363.9	6,617.0
Properties held for sale	1,740.2	1,000.5
Inventories	52.7	57.2
Debtors, deposits and prepayments (Note 9)	1,007.9	580.0
Loans receivable	0.4	13.3
Held-to-maturity investments	201.2	378.1
Financial assets at fair value through profit or loss	914.3	977.6
Derivative financial instruments	4.7	–
Tax recoverable	3.1	–
Restricted cash	177.8	47.2
Pledged time deposits and bank balances	346.3	333.8
Time deposits	501.8	831.9
Cash and bank balances	1,652.9	2,293.3
Total current assets	12,967.2	13,129.9

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2015	31st December, 2014
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 10)	(868.7)	(671.9)
Deposits received	(343.1)	(24.5)
Interest bearing bank borrowings	(1,271.7)	(1,375.9)
Derivative financial instruments	(2.8)	(4.8)
Tax payable	(119.6)	(126.5)
Total current liabilities	<u>(2,605.9)</u>	<u>(2,203.6)</u>
NET CURRENT ASSETS	<u>10,361.3</u>	<u>10,926.3</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>35,132.9</u>	<u>35,188.2</u>
NON-CURRENT LIABILITIES		
Creditors and deposits received	(177.2)	(62.9)
Interest bearing bank borrowings	(8,247.6)	(7,770.8)
Other borrowings	(4,218.7)	(4,211.2)
Deferred tax liabilities	(2,231.2)	(2,296.2)
Total non-current liabilities	<u>(14,874.7)</u>	<u>(14,341.1)</u>
Net assets	<u>20,258.2</u>	<u>20,847.1</u>
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	320.4	320.4
Reserves	8,181.1	8,199.6
	<u>8,501.5</u>	<u>8,520.0</u>
Non-controlling interests	<u>11,756.7</u>	<u>12,327.1</u>
Total equity	<u>20,258.2</u>	<u>20,847.1</u>

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest million except when otherwise indicated.

The Group has adopted the following revised standards for the first time for the current year’s financial statements.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

Annual Improvements to HKFRSs 2010-2012 Cycle

Annual Improvements to HKFRSs 2010-2013 Cycle

The adoption of these revised standards has had no significant financial effect on the Group’s results of operation and financial position.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties, the leasing of properties and the provision of estate agency services;
- (b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy and project management services, property management and also security systems and products and other software development and distribution;
- (c) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income through Regal REIT;
- (d) the asset management segment engages in the provision of asset management services to Regal REIT;
- (e) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments;
- (f) the aircraft ownership and leasing segment engages in the aircraft ownership and leasing for rental income; and
- (g) the others segment mainly comprises the provision of financing services, travel agency services, sale of food products and development and distribution of multimedia entertainment and digital educational content and multi-platform social games.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that certain interest income, finance costs, head office and corporate gains and expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, restricted cash, pledged time deposits and bank balances, time deposits, cash and bank balances, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest bearing bank borrowings, other borrowings, derivative financial instruments in relation to interest rate swaps, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Following the acquisition of additional aircraft during the current year by the Regal group, the Regal group has increased its focus on the aircraft ownership and leasing business. A change on the reporting structure of operating segments was made for facilitating management to make decisions about operating matters, resources allocation and performance assessment. Accordingly, an additional reportable operating segment of "Aircraft ownership and leasing" was separately disclosed and certain comparative amounts previously reported under the reportable operating segment of "Others" have been reclassified and restated to conform with the current year's presentation.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2015 and 2014:

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M (Restated)	2014 HK\$'M (Restated)	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M
Segment revenue:																		
Sales to external customers	536.6	11.5	12.9	10.5	2,171.3	2,200.9	-	-	61.5	23.5	114.3	56.2	37.4	27.8	-	-	2,934.0	2,330.4
Intersegment sales	10.0	7.7	296.7	311.8	-	-	96.2	134.7	-	-	-	-	3.1	3.2	(406.0)	(457.4)	-	-
Total	546.6	19.2	309.6	322.3	2,171.3	2,200.9	96.2	134.7	61.5	23.5	114.3	56.2	40.5	31.0	(406.0)	(457.4)	2,934.0	2,330.4
Segment results before depreciation	3.4	245.4	(1.5)	(4.4)	837.3	971.0	(13.5)	(16.2)	59.3	94.7	138.5	49.5	(2.9)	(0.3)	-	-	1,020.6	1,339.7
Depreciation	(16.5)	(14.0)	(0.3)	(0.7)	(511.6)	(480.7)	(0.4)	(0.3)	-	-	(49.5)	(26.4)	(1.1)	(1.6)	-	-	(579.4)	(523.7)
Segment results	(13.1)	231.4	(1.8)	(5.1)	325.7	490.3	(13.9)	(16.5)	59.3	94.7	89.0	23.1	(4.0)	(1.9)	-	-	441.2	816.0
Unallocated interest income and unallocated non-operating and corporate gains																	32.3	30.1
Unallocated non-operating and corporate expenses																	(182.3)	(170.1)
Operating profit																	291.2	676.0
Finance costs																	(229.4)	(236.0)
Share of profits and losses of associates	0.1	0.3	-	-	-	3.8	-	-	-	-	-	-	(24.9)	(26.1)	-	-	(24.8)	(22.0)
Profit before tax																	37.0	418.0
Income tax																	(16.1)	18.7
Profit for the year before allocation between equity holders of the parent and non-controlling interests																	20.9	436.7
Attributable to:																		
Equity holders of the parent																	4.6	196.6
Non-controlling interests																	16.3	240.1
																	20.9	436.7

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Aircraft ownership and leasing		Others		Eliminations		Consolidated	
	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M (Restated)	2015 HK\$'M	2014 HK\$'M (Restated)	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M
Segment assets	13,679.6	12,075.0	25.5	52.5	19,306.0	19,722.9	37.5	46.7	1,394.9	1,597.5	485.8	306.6	41.7	18.4	(36.1)	(47.4)	34,934.9	33,772.2
Investments in associates	6.3	6.1	-	-	7.1	7.1	-	-	-	-	-	-	9.9	16.7	-	-	23.3	29.9
Cash and unallocated assets																	2,780.6	3,589.7
Total assets																	<u>37,738.8</u>	<u>37,391.8</u>
Segment liabilities	(708.2)	(83.6)	(57.8)	(156.0)	(379.6)	(411.4)	(1.5)	(3.4)	(22.3)	(15.6)	(202.2)	(67.0)	(3.9)	(5.0)	36.1	47.4	(1,339.4)	(694.6)
Interest bearing bank borrowings and unallocated liabilities																	(16,141.2)	(15,850.1)
Total liabilities																	<u>(17,480.6)</u>	<u>(16,544.7)</u>
Other segment information:																		
Capital expenditure	1,901.2	1,266.2	-	1.0	101.4	210.2	0.2	1.8	-	-	363.5	-	7.3	0.8				
Gain on bargain purchase	-	-	-	-	-	(35.0)	-	-	-	-	-	-	-	-				
Gain on disposal of property, plant and equipment, net	-	-	-	-	(0.2)	-	-	-	-	-	(38.1)	-	-	-				
Recovery of loans receivable	-	(159.0)	-	-	-	-	-	-	-	-	-	-	-	-				
Reversal of impairment of loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	(0.8)	-				
Impairment/(Write-back of impairment) of trade debtors	-	-	-	-	-	0.1	-	-	-	-	-	-	(0.1)	(0.1)				
Impairment loss on property under development	57.0	-	-	-	-	-	-	-	-	-	-	-	-	-				
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	-	-	-	-	-	-	-	-	13.2	(63.6)	-	-	-	-				
Fair value gains on investment properties, net	(17.1)	(54.3)	-	-	(11.0)	(18.0)	-	-	-	-	-	-	-	-				
Interest income	(0.1)	(84.2)	-	-	(0.5)	(1.0)	-	-	(34.4)	(32.9)	-	-	(1.6)	(9.1)				

Geographical information

(a) Revenue from external customers

	2015	2014
	HK\$'M	HK\$'M
Hong Kong	2,725.2	2,229.4
Mainland China	43.6	33.3
Other	165.2	67.7
	2,934.0	2,330.4

The revenue information above is based on the locations of the customers, except for the property development and investment segment which is based on the locations of the properties.

(b) Non-current assets

	2015	2014
	HK\$'M	HK\$'M
Hong Kong	22,221.7	21,989.4
Mainland China	1,672.5	1,650.1
Other	562.1	391.1
	24,456.3	24,030.6

The non-current assets information above is based on the locations of assets and excludes financial instruments and deferred tax assets.

Information about major customer

No further information about major customer is presented as no more than 10% of the Group's revenue was derived from sales to any single customer.

3. Revenue, other income and gains are analysed as follows:

	2015	2014
	HK\$'M	HK\$'M
<u>Revenue</u>		
Rental income:		
Hotel properties	47.2	46.2
Investment properties	16.2	17.2
Properties held for sale	0.1	0.1
Aircraft	114.3	56.2
Construction and construction-related income	7.9	5.8
Proceeds from sale of properties	527.1	–
Estate management fees	5.0	4.7
Net gain from sale of financial assets at fair value through profit or loss	24.4	13.9
Net gain/(loss) on settlement of derivative financial instruments	1.4	(30.2)
Interest income from financial assets at fair value through profit or loss	21.9	21.5
Interest income from loans receivable	0.4	–
Dividend income from listed investments	13.8	18.3
Hotel operations and management services	2,117.3	2,148.9
Other operations	37.0	27.8
	<u>2,934.0</u>	<u>2,330.4</u>

	2015	2014
	HK\$'M	HK\$'M
<u>Other income and gains</u>		
Bank interest income	27.7	28.0
Other interest income	15.0	105.9
Recovery of loans receivable	–	159.0
Gain on disposal of investment properties	3.5	–
Gain on disposal of items of property, plant and equipment, net	38.3	–
Fair value gain on disposal of available-for-sale investments	–	1.3
Fair value gain upon reclassification of a property held for sale to an investment property	–	0.1
Others	15.4	2.0
	<u>99.9</u>	<u>296.3</u>

4. An analysis of profit/(loss) on sale of investments and properties of the Group is as follows:

	2015	2014
	HK\$'M	HK\$'M
Profit from sale of financial assets at fair value through profit or loss	24.4	13.9
Profit/(Loss) on settlement of derivative financial instruments	1.4	(30.2)
Profit on disposal of properties	128.7	–
	<u>154.5</u>	<u>(15.9)</u>

5. Finance costs of the Group are as follows:

	2015	2014
	HK\$'M	HK\$'M
Interest on bank loans	164.5	150.8
Interest on other borrowings	182.0	181.9
Amortisation of debt establishment costs	38.1	33.8
Total interest expenses on financial liabilities not at fair value through profit or loss	384.6	366.5
Fair value changes on derivative financial instruments – cash flow hedge (transfer from hedge reserve)	1.0	6.0
Other loan costs	14.0	7.8
	399.6	380.3
Less: Finance costs capitalised	(170.2)	(144.3)
	229.4	236.0

6. The income tax charge/(credit) for the year arose as follows:

	2015	2014
	HK\$'M	HK\$'M
Current – Hong Kong		
Charge for the year	97.3	86.9
Overprovision in prior years	(1.9)	(14.1)
Current – Overseas		
Charge for the year	1.1	11.5
Underprovision/(Overprovision) in prior years	(0.1)	0.1
Deferred	(80.3)	(103.1)
Total tax charge/(credit) for the year	16.1	(18.7)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2014 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the year.

Taxes on the profits of subsidiaries operating overseas are calculated at the rates prevailing in the respective jurisdictions in which they operate.

No provision for tax was required for the associates as no assessable profits were earned by the associates during the year (2014 – Nil).

7. Dividends:

	2015	2014
	HK\$'M	HK\$'M
Interim – HK0.63 cent (2014 – HK0.63 cent) per ordinary share	20.2	20.2
Proposed final – HK1.37 cents (2014 – HK2.00 cents) per ordinary share	43.9	64.1
	64.1	84.3

8. The calculation of the basic earnings per ordinary share is based on the profit for the year attributable to equity holders of the parent of HK\$4.6 million (2014 – HK\$196.6 million) and on the weighted average of 3,203.8 million (2014 – 3,207.2 million) ordinary shares of the Company in issue during the year.

No adjustment has been made to the basic earnings per ordinary share amount presented for the years ended 31st December, 2015 and 2014 as the Company had no potentially dilutive ordinary shares in issue and therefore no diluting events existed throughout the years.

9. Included in debtors, deposits and prepayments is an amount of HK\$175.4 million (2014 – HK\$126.6 million) representing the trade debtors of the Group. The aged analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	153.2	114.0
Between 4 to 6 months	8.9	4.2
Between 7 to 12 months	5.5	2.8
Over 1 year	11.6	9.5
	<hr/>	<hr/>
	179.2	130.5
Impairment	(3.8)	(3.9)
	<hr/>	<hr/>
	175.4	126.6
	<hr/> <hr/>	<hr/> <hr/>

Credit terms

Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment which is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group holds collateral or other credit enhancements over certain of these balances.

10. Included in creditors and accruals is an amount of HK\$97.9 million (2014 – HK\$136.2 million) representing the trade creditors of the Group. The aged analysis of these creditors as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	97.7	135.3
Between 4 to 6 months	0.1	0.2
Between 7 to 12 months	–	0.3
Over 1 year	0.1	0.4
	<hr/> 97.9 <hr/>	<hr/> 136.2 <hr/>

The trade creditors are non-interest bearing and are normally settled within 90 days.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31st December, 2015.

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st December, 2015, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2015, except that:

- (1) The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.
- (2) The Independent Non-Executive Directors of the Company were not appointed for specific terms, but in accordance with the provisions of the Bye-laws of the Company, all Directors (including the Independent Non-Executive Directors) of the Company are subject to retirement by rotation at least once every three years, and the retiring Directors are eligible for re-election.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Mr. LO Yuk Sui

(Chairman and Chief Executive Officer)

Mr. Jimmy LO Chun To

(Vice Chairman)

Miss LO Po Man

(Vice Chairman)

Mr. Kenneth NG Kwai Kai

(Chief Operating Officer)

Mr. Donald FAN Tung

Mr. Kelvin LEUNG So Po

Independent Non-Executive Directors:

Mr. Anthony CHUANG

Mr. NG Siu Chan

Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 22nd March, 2016