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ANNOUNCEMENT OF 2014 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS			
	Year 2014	Year 2013	% Change
	HK\$'M	HK\$'M	
Revenue	2,301.2	3,604.1	-36.2%
Gross profit	1,090.4	1,197.8	-9.0%
Operating profit before depreciation, finance costs and tax	1,163.2	1,209.6	-3.8%
Profit for the year attributable to equity holders of the parent	283.7	322.9	-12.1%
Basic earnings per ordinary share attributable to equity holders of the parent	HK\$0.25	HK\$0.29	-13.8%
Proposed final dividend per ordinary share	HK9.3 cents	HK9.3 cents	–
Total dividends for the year per ordinary share	HK11.6 cents	HK11.5 cents	+0.9%
	As at 31st December,	2013	
	2014	2013	
	(Unaudited)	(Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent	HK\$11.72	HK\$10.90	+7.5%

- **The Group's business operations have on the whole performed satisfactorily and attained operating profit before depreciation, finance costs and tax of HK\$1,163.2 million.**
- **Depreciation charges on the Group's hotel properties amounted to HK\$472.6 million which, though having no impact on the Group's cash flow, have nonetheless adversely affected the reported profit.**
- **Consolidated profit attributable to shareholders for the year of HK\$283.7 million, as compared to HK\$322.9 million recorded for 2013.**
- **The Group has further increased its shareholding interest in Regal Hotels International Holdings Limited from 58.2% as at 31st December, 2013 to 64.9% as at 31st December, 2014, through market purchases by the Group and share buybacks by Regal. Due to the substantial discount of the traded market price of the shares of Regal to its underlying asset value, these purchases and buybacks have effectively enhanced the underlying net asset value of the shares of the Company to HK\$11.72 per share as at 31st December, 2014.**
- **P&R Holdings Limited, a 50:50 joint venture between Regal and the Company, have completed the disposals of two of its hotel developments, namely, the iclub Sheung Wan Hotel and the iclub Fortress Hill Hotel, to Regal Real Estate Investment Trust in February and July of 2014, respectively, for an aggregate consideration of HK\$3,232.5 million.**
- **These disposals have generated significant cash flow to P&R Holdings, but the substantial profits pertaining to these disposals have not been reflected in the Group's financial statements for the year under review due to elimination in accordance with the accounting standards under the current corporate holding structure.**
- **There are six ongoing development projects currently undertaken by P&R Holdings, which are, respectively, in the order of their scheduled completion, a residential project in Yuen Long, a hotel project in To Kwa Wan, a residential project in Kau To, Shatin, a shopping mall development in Ma On Shan, a commercial/residential joint venture development project with the Urban Renewal Authority of Hong Kong in Sham Shui Po and another hotel project in Sheung Wan.**

- **The residential project at Tan Kwai Tsuen Road in Yuen Long, providing a total of 170 residential units, comprising 36 luxurious garden houses and 134 studio apartment units, is expected to be completed in the second quarter of this year. The presale programme for the apartment units is planned to be launched shortly after the presale consent is obtained, to be followed by the garden houses.**
- **Detailed information on the business operations of Regal, Regal REIT and Cosmopolitan International Holdings Limited, the Company's listed subsidiaries, are contained in their separate results announcements released today.**
- **Although there could be some consolidations when the low interest rate environment changes, the Group anticipates that the property market in Hong Kong will continue to grow steadily and will seek further appropriate opportunities to strengthen its development property portfolio.**
- **The property projects undertaken by P&R Holdings in Hong Kong, as well as the property projects undertaken by Cosmopolitan in the PRC, are scheduled for completion over the course of the next few years. While most of the projects will be sold, which are expected to generate significant cash flow and profit contribution, certain of these projects might be retained for rental income to reinforce the Group's recurrent revenue base.**
- **Overall, the Directors are optimistic of the continuing prospects of the Group as a whole.**

FINANCIAL RESULTS

For the year ended 31st December, 2014, the Group achieved a consolidated profit attributable to shareholders of HK\$283.7 million, as compared to the profit of HK\$322.9 million recorded for 2013.

Business operations of the Group for the year under review have on the whole performed satisfactorily and attained operating profit before depreciation, finance costs and tax of HK\$1,163.2 million (2013 – HK\$1,209.6 million, which included the gain of HK\$136.2 million from the sale of the Tianjin Project by Regal Hotels International Holdings Limited, a listed subsidiary of the Group, to Cosmopolitan International Holdings Limited, prior to its becoming a subsidiary of the Group). As previously explained, the hotel properties owned by Regal Real Estate Investment Trust, the listed subsidiary of Regal, are classified in the Group's financial statements as property, plant and equipment and are subject to depreciation charges. Consequently, depreciation charges in an aggregate amount of HK\$472.6 million have thus been provided in the Group's financial statements for the year which, though having no impact on the Group's cash flow, have nonetheless adversely affected the reported profit.

BUSINESS OVERVIEW

Following the implementation of a series of corporate transactions over the course of the past two years, the corporate and asset holding structure of the Group has been clearly delineated. Regal, the most significant subsidiary of the Company, is principally engaged in the hotel operating business and is also the joint venture partner with the Company in P&R Holdings Limited, each owning a 50% shareholding interest. Regal also holds a controlling interest in Regal REIT, which is principally engaged in hotel ownership and leasing businesses. The Group's core property development and investment businesses in Hong Kong are now primarily undertaken through P&R Holdings, while those in the People's Republic of China are undertaken through Cosmopolitan, a listed subsidiary of the Group held through P&R Holdings.

The Group has further increased its shareholding interest in Regal from 58.2% as at 31st December, 2013 to 64.9% as at 31st December, 2014, through market purchases by the Group and share buybacks by Regal. Due to the substantial discount of the traded market price of the shares of Regal to its underlying asset value, these purchases and buybacks have effectively enhanced the underlying net asset value of the shares of the Company. As at 31st December,

2014, the net asset value per share of the Company amounted to HK\$11.72, as compared to HK\$10.90 as at the preceding year end.

PROPERTIES

During the year under review, newly built smaller-sized residential apartment units in Hong Kong continued to be in strong demand, while the property market for the other sectors as a whole has been affected by the hefty stamp duty levied by the Government, particularly for non-local residents. The Government of Hong Kong plans to maintain a steady supply of development lands, in an attempt to balance the supply and demand, through government land tenders. Like in the past, the Group will continue to actively participate in these government tenders, primarily through P&R Holdings.

As mentioned in the 2014 Interim Report, P&R Holdings have completed the disposals of two of its hotel developments, namely, the iclub Sheung Wan Hotel and the iclub Fortress Hill Hotel, to Regal REIT in February and July of 2014, respectively, for an aggregate consideration of HK\$3,232.5 million. These disposals have generated significant cash flow to P&R Holdings, but the substantial profits pertaining to these disposals have not been reflected in the Group's financial statements for the year under review due to elimination in accordance with the accounting standards under the current corporate holding structure.

There are six ongoing development projects currently undertaken by P&R Holdings, which are, respectively, in the order of their scheduled completion, a residential project in Yuen Long, a hotel project in To Kwa Wan, a residential project in Kau To, Shatin, a shopping mall development in Ma On Shan, a commercial/residential joint venture development project with the Urban Renewal Authority of Hong Kong in Sham Shui Po and another hotel project in Sheung Wan.

The residential project at Tan Kwai Tsuen Road in Yuen Long is expected to be completed in the second quarter of this year. The project provides a total of 170 residential units, comprising 36 luxurious garden houses and 134 studio apartment units. The application for the presale consent has been submitted, which is anticipated to be issued in the near future.

The presale programme for the apartment units is planned to be launched shortly after the presale consent is obtained, to be followed by the garden houses.

Further details on the development projects and properties of P&R Holdings as well as the Group's construction and building related business and other investments are contained in the section headed "Management Discussion and Analysis" in this announcement.

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2014, Regal achieved a consolidated profit attributable to shareholders of HK\$410.3 million, an increase of approximately 60% as compared to the profit of HK\$256.9 million attained in 2013.

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, 2014, Regal REIT achieved a consolidated net profit before distributions to unitholders of HK\$238.5 million, as compared to HK\$342.6 million recorded for the year 2013.

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, 2014, Cosmopolitan recorded a consolidated loss attributable to shareholders of HK\$127.4 million, as compared to a loss of HK\$88.2 million for the nine months ended 31st December, 2013.

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

The Government of Hong Kong has implemented various initiatives to curb speculative investments in the property market in Hong Kong. However, the buoyant market condition currently prevailing in the primary residential sector in Hong Kong has mainly been driven by the penned up demand from end users, prompted by the low interest rate environment. Although there could be some consolidations when the low interest rate environment changes, the Group anticipates that the property market in Hong Kong will continue to grow steadily and will seek further appropriate opportunities to strengthen its development property portfolio.

The property projects undertaken by P&R Holdings in Hong Kong, as well as the property projects undertaken by Cosmopolitan in the PRC, are scheduled for completion over the course of the next few years. While most of the projects will be sold, which are expected to generate significant cash flow and profit contribution, certain of these projects might be retained for rental income to reinforce the Group's recurrent revenue base.

Overall, the Directors are optimistic of the continuing prospects of the Group as a whole.

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 and other investments including financial assets investments, and aircraft ownership and leasing business.

The significant investments and business interests of Regal, a principal listed subsidiary of the Group, 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, and other investment businesses (including aircraft ownership and leasing business). Cosmopolitan is a listed subsidiary of the Group held through P&R Holdings. The principal business activities of the Cosmopolitan group comprise property development and investment, mainly focused in the PRC, and financial assets and other investments.

The performance of the Group's property, construction and building related and other investment businesses, and the principal businesses of Regal, Regal REIT as well as those of Cosmopolitan during the year under review, the commentary on the hotel and property sectors in which the Group operates and the changes in general market conditions and the potential impact on their operating performance and future prospects are contained in the sections headed "Business Overview" and "Outlook" above and in this sub-section as well as in the separate results announcements for 2014 released by Regal, Regal REIT and Cosmopolitan.

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.

P&R HOLDINGS LIMITED

P&R Holdings is a 50:50 owned joint venture established with Regal, with capital contributions to be provided by the Company and Regal on a pro-rata basis in accordance with their respective shareholdings in P&R Holdings, and is a subsidiary of 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 financial 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, which is being undertaken pursuant to a joint venture contract 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 will provide a total of 170 units, comprising 36 luxurious garden houses and a low-rise apartment block with 134 studio units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet). The superstructure works have been completed and the occupation permit is expected to be issued in the second quarter of 2015. The application for presale consent has been submitted. The presale programme for the apartment units will first be launched when the presale consent is obtained, to be followed by the garden houses.

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

The properties have an aggregate site area of approximately 345 square metres (3,710 square feet) and are 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 but due to some technical difficulties encountered in relation to the adjoining party wall, the progress of the construction works has been delayed.

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

The properties have 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 foundation works have been completed and the superstructure works are progressing smoothly. This hotel development project is scheduled to be completed in the first half 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 and the general building plans have been approved. The foundation works have already commenced and are expected to be completed before the end of 2015. 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 134 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 have commenced in the first quarter of 2015. This development is scheduled to be completed in 2017.

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 155 residential units, 2 storeys of shops and 1 storey of basement carpark. The general building plans have been approved and foundation works commenced. The development is scheduled to be completed in 2017.

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. Presently, five duplex units are under leases to third parties for rental income.

Mainland China

Regal (Chongqing) Equity Investment Fund, L.P.

P&R Holdings group also holds limited partnership interest of approximately RMB250 million in a cross-border Renminbi fund, named as Regal (Chongqing) Equity Investment Fund, L.P., which was established principally to support the businesses undertaken by P&R Holdings group in China. A wholly owned subsidiary of Century City International Holdings Limited, the ultimate listed holding company of the Company, acts as the general partner of the fund and holds a very minor interest in the partnership.

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan is a listed subsidiary of the Group held through P&R Holdings. Further information relating to the property projects currently undertaken by the Cosmopolitan group in the PRC, 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 in the third quarter of 2016 and units presale is anticipated to be launched in the third quarter of 2015. Having considered the local market environment, the hotel portion included in the first stage is now planned to be completed in phases from 2016. 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. The development plans have been revised to include only commercial, office and residential components with total gross floor area of about 145,000 square metres and such plans have been approved by the local government authority. The piling works for the project have already been completed and the entire development is now anticipated to be completed in stages within 2018.

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. The inspection and measurement of the reforested area by the relevant government authorities is still ongoing and some remedial re-forestation works will be

undertaken soon to meet the requirements of the government authorities. In the meantime, the Cosmopolitan group is working on the design of the master plan to prepare for the land grant procedures. It is hoped that the final procedures leading to the land grant listing and tender of the development land would be concluded as soon as practicable. 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.

Wuxi Project

The Cosmopolitan group entered into in October 2013 a Co-operation Agreement for Business and Investment Encouragement with Wuxi Huishan District People's Government and Wuxi Metro Xizhang Area Commission for a parcel of land of about 937 mu (equivalent to approximately 624,700 square metres) located in Huishan District, Wuxi, Jiangsu Province, which was subject to certain terms to be agreed by the parties within six months of the date of the agreement. The Cosmopolitan group has not been able to reach agreement with the relevant parties in respect of those certain terms and further negotiations with respect to the Co-operation Agreement have been discontinued for the time being.

Property Investment

Beijing Tongzhou Project

A wholly owned subsidiary of the Cosmopolitan established in Beijing has entered into a co-operation agreement with a PRC independent third party in February 2014 to subscribe for 82.5% equity interest in a company which is involved in a primary development project located in Tongzhou District, Beijing, subject to the fulfilment of certain prescribed conditions. The principal purpose of the project is to develop buildings for the purposes of housing resettlement under PRC government policies. As certain conditions have not been fulfilled by the independent third party, the co-operation agreement has lapsed. The relevant third party is considering various remedial proposals for the Cosmopolitan group's Beijing subsidiary to participate in the investment project as previously contemplated. The Beijing subsidiary has recently obtained the approval from the relevant PRC authority for (1) an increase of its registered capital from RMB298 million to RMB500 million and (2) a change of its business nature to an investment company, which will strengthen its capital base and

facilitate potential investments in other property development and investment projects in the PRC.

HANG FOK PROPERTIES LIMITED

Hang Fok is an entity that is 50% beneficially owned by each of the Company 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, which is pending collection by Hang Fok. Accordingly, Hang Fok has recorded a recovery of loans receivable and related interest income of approximately HK\$159.0 million and HK\$84.2 million respectively, which have been reflected in the results of the Group for the year under review. The Group will continue to exercise strenuous efforts with a view to salvaging the value of the Group's interest in this development project.

CONSTRUCTION AND BUILDING RELATED BUSINESS

The Group's wholly owned construction arm, Chatwin Engineering Limited, was the main contractor for the construction of P&R Holdings' hotel developments at Bonham Strand, Sheung Wan and at Merlin Street in Fortress Hill, which have been completed in January and May 2014, respectively. Chatwin is also undertaking the main contract works for P&R Holdings' residential project in Yuen Long and the hotel development project at Ha Heung Road, To Kwa Wan, awarded through competitive tender process. Due to the increasing number of projects undertaken, the Group's development consultancy division, which

provides professional services on architectural, engineering and interior design aspects, is principally supporting the needs of the Group's member companies.

OTHER INVESTMENTS

The Group holds a significant portfolio of investments comprising listed securities and other investments, including investment funds, bonds as well as treasury and yield enhancement products, some of which are denominated in Renminbi.

FINANCIAL REVIEW

ASSETS VALUE

As at 31st December, 2014, the Group's net assets attributable to equity holders of the parent amounted to HK\$13,062.5 million, representing HK\$11.72 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. Project financing may be arranged on appropriate terms and will normally be in local currency 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 US dollars are pegged to the Hong Kong dollars, 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 dollars or Hong Kong dollars to contain the Group's exposure to currency fluctuation.

Cash Flow

Net cash flows generated from operating activities during the year under review amounted to HK\$60.1 million (2013 – net cash flows used in operating activities of HK\$3,258.7 million). Net interest payment for the year amounted to HK\$303.5 million (2013 – HK\$236.9 million).

Borrowings and Gearing

As at 31st December, 2014, the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$10,025.4 million (2013 – HK\$8,553.9 million).

As at 31st December, 2014, the gearing ratio of the Group was 27.1% (2013 – 24.4%), representing the Group's borrowings net of cash and bank balances and deposits of HK\$10,025.4 million (2013 – HK\$8,553.9 million), as compared to the total assets of the Group of HK\$36,942.1 million (2013 – HK\$34,993.4 million).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2014 are shown in the consolidated financial statements ("Financial Statements") contained in the annual report of the Company for the year ended 31st December, 2014 (the "2014 Annual Report") to be published on or before 30th April, 2015.

Pledge of Assets

As at 31st December, 2014, 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\$17,861.1 million (2013 – HK\$14,529.3 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\$454.6 million (2013 – HK\$428.5 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, 2014, certain ordinary shares in a listed subsidiary with a market value of HK\$445.0 million (2013 – HK\$460.0 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, 2014 are shown in the Financial Statements.

Contingent Liabilities

The Group had no contingent liability as at 31st December, 2014.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK9.3 cents (2013 – HK9.3 cents) per ordinary share for the year ended 31st December, 2014. This proposed final dividend will absorb an amount of approximately HK\$103.7 million (2013 – HK\$103.7 million) and will be payable to the holders of ordinary shares on the Register of Ordinary Shareholders on 11th June, 2015.

Together with the interim dividend of HK2.3 cents (2013 – HK2.2 cents) per ordinary share paid in October 2014, total dividends per ordinary share for the year ended 31st December, 2014 will amount to HK11.6 cents (2013 – HK11.5 cents), representing an increase of 0.9% over the total dividends paid in 2013.

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Wednesday, 3rd June, 2015. 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 2014 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 Monday, 1st June, 2015 to Wednesday, 3rd June, 2015, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2015 Annual General Meeting. In order to be entitled to attend and vote at the 2015 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 Friday, 29th May, 2015; and
- (ii) from Tuesday, 9th June, 2015 to Thursday, 11th June, 2015, 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 Monday, 8th June, 2015.

The relevant dividend warrants for the aforesaid final dividend are expected to be despatched on or about 23rd June, 2015.

YEAR END RESULTS

Consolidated Statement of Profit or Loss

	Year ended 31st December, 2014	Year ended 31st December, 2013
	HK\$'M	HK\$'M
REVENUE (Notes 2 & 3)	2,301.2	3,604.1
Cost of sales	(1,210.8)	(2,406.3)
Gross profit	1,090.4	1,197.8
Other income and gains (Note 3)	293.6	73.0
Fair value gains on investment properties, net	72.3	9.0
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	41.6	(69.7)
Gain on disposal of subsidiaries	–	279.2
Gain on bargain purchase	35.0	–
Administrative expenses	(369.7)	(279.7)
OPERATING PROFIT BEFORE DEPRECIATION	1,163.2	1,209.6
Depreciation	(515.3)	(458.5)
OPERATING PROFIT (Notes 2 & 4)	647.9	751.1
Finance costs (Note 5)	(236.0)	(260.5)
Share of profits and losses of:		
A joint venture	–	0.3
Associates	(15.5)	41.8
PROFIT BEFORE TAX	396.4	532.7
Income tax (Note 6)	18.7	(84.9)
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	415.1	447.8

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2014	Year ended 31st December, 2013
	HK\$'M	HK\$'M
Attributable to:		
Equity holders of the parent	283.7	322.9
Non-controlling interests	131.4	124.9
	<hr/> 415.1	<hr/> 447.8
	<hr/>	<hr/>
EARNINGS PER ORDINARY SHARE		
ATTRIBUTABLE TO EQUITY HOLDERS		
OF THE PARENT (Note 8)		
Basic and diluted	HK\$0.25	HK\$0.29
	<hr/>	<hr/>

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2014	Year ended 31st December, 2013
	HK\$'M	HK\$'M
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	415.1	447.8
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale investments	28.2	–
Cash flow hedges:		
Changes in fair value of cash flow hedges	(4.0)	(7.4)
Transfer from hedge reserve to the statement of profit or loss	6.0	6.1
	<u>2.0</u>	<u>(1.3)</u>
Exchange differences on translating foreign operations	(78.5)	78.0
Reclassification adjustments on disposals of foreign operations	–	(45.3)
Share of other comprehensive income/(loss) of associates	(3.1)	0.5
Other comprehensive income/(loss) for the year	<u>(51.4)</u>	<u>31.9</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>363.7</u>	<u>479.7</u>
Attributable to:		
Equity holders of the parent	258.0	342.3
Non-controlling interests	105.7	137.4
	<u>363.7</u>	<u>479.7</u>

Consolidated Statement of Financial Position

	31st December, 2014	31st December, 2013
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	19,687.6	19,345.0
Investment properties	1,946.6	1,715.4
Properties under development	1,305.1	1,308.6
Investments in associates	25.7	27.6
Available-for-sale investments	131.8	18.3
Financial assets at fair value through profit or loss	1.9	–
Loans receivable	1.7	8.4
Deposits and prepayments	87.2	60.9
Deferred tax assets	62.4	–
Trademark	610.2	610.2
Goodwill	261.0	261.0
Total non-current assets	<u>24,121.2</u>	<u>23,355.4</u>
CURRENT ASSETS		
Properties under development	6,617.0	5,750.4
Properties held for sale	1,000.5	1,513.3
Inventories	57.2	56.5
Debtors, deposits and prepayments (Note 9)	558.0	422.6
Loans receivable	13.3	6.7
Held-to-maturity investments	378.1	229.3
Financial assets at fair value through profit or loss	864.3	764.6
Derivative financial instruments	–	22.0
Tax recoverable	–	2.2
Restricted cash	47.2	51.9
Pledged time deposits and bank balances	333.8	433.2
Time deposits	761.5	1,143.9
Cash and bank balances	2,190.0	1,241.4
Total current assets	<u>12,820.9</u>	<u>11,638.0</u>

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2014	31st December, 2013
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 10)	(661.3)	(511.7)
Deposits received	(24.5)	(27.0)
Interest bearing bank borrowings	(1,375.9)	(1,624.0)
Derivative financial instruments	(4.8)	–
Tax payable	(126.5)	(108.7)
Total current liabilities	<u>(2,193.0)</u>	<u>(2,271.4)</u>
NET CURRENT ASSETS	<u>10,627.9</u>	<u>9,366.6</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>34,749.1</u>	<u>32,722.0</u>
NON-CURRENT LIABILITIES		
Creditors and deposits received	(27.8)	(13.9)
Interest bearing bank borrowings	(7,770.8)	(5,599.8)
Other borrowings	(4,211.2)	(4,200.5)
Derivative financial instruments	–	(4.1)
Deferred tax liabilities	(2,296.2)	(2,322.4)
Total non-current liabilities	<u>(14,306.0)</u>	<u>(12,140.7)</u>
Net assets	<u>20,443.1</u>	<u>20,581.3</u>
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	111.4	111.5
Reserves	12,847.4	11,936.7
Proposed final dividend	103.7	103.7
	<u>13,062.5</u>	<u>12,151.9</u>
Non-controlling interests	7,380.6	8,429.4
Total equity	<u>20,443.1</u>	<u>20,581.3</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 and accounting principles generally accepted in Hong Kong. The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, 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 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 have been prepared under the historical cost convention, except for investment properties, available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. The 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 and new interpretation for the first time for the current year’s financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	<i>Investment Entities</i>
Amendments to HKAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to HKAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>

Amendment to HKFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Definition of Vesting Condition¹</i>
Amendment to HKFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination¹</i>
Amendment to HKFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to HKFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective HKFRSs</i>

¹ Effective from 1st July, 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

- (a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.
- (b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross

settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

- (c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.
- (d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies (if any) incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.
- (e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target

may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

- (f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.
- (g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has six 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; and
- (f) the others segment mainly comprises aircraft ownership and leasing business, 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, 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.

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, 2014 and 2013.

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Others		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment revenue:																
Sales to external customers	14.2	1,470.1	10.5	18.2	2,200.9	2,003.4	-	-	14.0	71.0	61.6	41.4	-	-	2,301.2	3,604.1
Intersegment sales	7.7	4.9	311.8	187.6	-	-	134.7	95.3	-	-	3.2	-	(457.4)	(287.8)	-	-
Total	<u>21.9</u>	<u>1,475.0</u>	<u>322.3</u>	<u>205.8</u>	<u>2,200.9</u>	<u>2,003.4</u>	<u>134.7</u>	<u>95.3</u>	<u>14.0</u>	<u>71.0</u>	<u>64.8</u>	<u>41.4</u>	<u>(457.4)</u>	<u>(287.8)</u>	<u>2,301.2</u>	<u>3,604.1</u>
Segment results before depreciation	248.1	398.7	(4.4)	(5.1)	971.0	908.0	(16.2)	(14.3)	61.8	0.3	29.2	6.9	-	-	1,289.5	1,294.5
Depreciation	(14.0)	(1.4)	(0.7)	(0.5)	(480.7)	(449.5)	(0.3)	-	-	-	(18.3)	(6.8)	-	-	(514.0)	(458.2)
Segment results	<u>234.1</u>	<u>397.3</u>	<u>(5.1)</u>	<u>(5.6)</u>	<u>490.3</u>	<u>458.5</u>	<u>(16.5)</u>	<u>(14.3)</u>	<u>61.8</u>	<u>0.3</u>	<u>10.9</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>775.5</u>	<u>836.3</u>
Unallocated interest income and unallocated non-operating and corporate gains															29.0	32.6
Unallocated non-operating and corporate expenses															(156.6)	(117.8)
Operating profit															647.9	751.1
Finance costs															(236.0)	(260.5)
Share of profits and losses of:																
A joint venture	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3
Associates	0.3	47.4	-	-	3.8	(1.0)	-	-	-	-	(19.6)	(4.6)	-	-	(15.5)	41.8
Profit before tax															396.4	532.7
Income tax															18.7	(84.9)
Profit for the year before allocation between equity holders of the parent and non-controlling interests															<u>415.1</u>	<u>447.8</u>
Attributable to:																
Equity holders of the parent															283.7	322.9
Non-controlling interests															131.4	124.9
															<u>415.1</u>	<u>447.8</u>

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Others		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M	HKS'M
Segment assets	12,075.0	12,187.7	52.5	40.2	19,723.8	18,408.7	46.7	42.7	1,440.4	1,095.3	220.1	357.1	(47.4)	(43.6)	33,511.1	32,088.1
Investments in associates	6.1	5.8	-	-	7.1	6.1	-	-	-	-	12.5	15.7	-	-	25.7	27.6
Cash and unallocated assets															3,405.3	2,877.7
Total assets															<u>36,942.1</u>	<u>34,993.4</u>
Segment liabilities	(83.6)	(63.5)	(156.0)	(75.9)	(411.4)	(359.4)	(3.4)	(1.7)	(15.6)	(10.7)	(34.4)	(22.6)	47.4	43.6	(657.0)	(490.2)
Interest bearing bank borrowings and unallocated liabilities															(15,842.0)	(13,921.9)
Total liabilities															<u>(16,499.0)</u>	<u>(14,412.1)</u>
Other segment information:																
Capital expenditure	1,266.2	2,626.5	1.0	3.0	210.2	157.2	1.8	0.1	-	-	0.8	102.7				
Gain on disposal of subsidiaries	-	(279.2)	-	-	-	-	-	-	-	-	-	-				
Gain on bargain purchase	-	-	-	-	(35.0)	-	-	-	-	-	-	-				
Recovery of loans receivable	(159.0)	-	-	-	-	-	-	-	-	-	-	-				
Impairment of trade debtors	-	-	-	-	0.1	-	-	-	-	-	-	-				
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	-	-	-	-	-	-	-	-	(41.6)	69.7	-	-				
Fair value losses/(gains) on investment properties, net	(54.3)	9.0	-	-	(18.0)	(18.0)	-	-	-	-	-	-				
Interest income	(84.2)	(0.8)	-	-	(1.0)	(3.4)	-	-	(30.0)	(12.6)	(9.1)	(3.6)				

Geographical information

(a) Revenue from external customers

	2014	2013
	HK\$'M	HK\$'M
Hong Kong	2,222.6	2,084.3
Mainland China	33.3	1,506.6
Other	45.3	13.2
	2,301.2	3,604.1

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

	2014	2013
	HK\$'M	HK\$'M
Hong Kong	21,981.3	21,510.3
Mainland China	1,650.1	1,641.0
Other	288.5	174.6
	23,919.9	23,325.9

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

Information about a major customer

No further information about a major customer is presented as no more than 10% of the Group's revenue was derived from sales to any single customer. For the year ended 31st December, 2013, revenue of HK\$1,460.7 million was derived from sales to a major customer in the property development and investment segment.

3. Revenue (which is also the Group's turnover), other income and gains are analysed as follows:

	2014	2013
	HK\$'M	HK\$'M
<u>Revenue</u>		
Rental income:		
Hotel properties	46.2	38.5
Investment properties	17.2	14.0
Properties held for sale	2.8	0.1
Aircraft	33.8	13.2
Construction and construction-related income	5.8	13.8
Proceeds from sale of properties	–	1,461.0
Estate management fees	4.7	4.3
Property development consultancy and project management fees	–	0.1
Net gain from sale of financial assets at fair value through profit or loss	10.3	8.0
Net gain/(loss) on settlement of derivative financial instruments	(30.2)	39.7
Interest income from financial assets at fair value through profit or loss	18.7	7.9
Dividend income from listed investments	15.2	15.4
Hotel operations and management services	2,148.9	1,959.8
Other operations	27.8	28.3
	2,301.2	3,604.1

	2014	2013
	HK\$'M	HK\$'M
<u>Other income and gains</u>		
Bank interest income	27.4	29.3
Other interest income	105.6	12.5
Recovery of loans receivable	159.0	–
Fair value gain upon reclassification of a property held for sale to an investment property	0.1	–
Forfeiture of deposits	–	27.1
Others	1.5	4.1
	<u>293.6</u>	<u>73.0</u>

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

	2014	2013
	HK\$'M	HK\$'M
Profit from sale of financial assets at fair value through profit or loss	10.3	8.0
Profit/(Loss) on settlement of derivative financial instruments	(30.2)	39.7
Profit on disposal of properties	–	136.4
	<u>–</u>	<u>184.1</u>

5. Finance costs of the Group are as follows:

	2014	2013
	HK\$'M	HK\$'M
Interest on bank loans wholly repayable within five years	150.8	129.5
Interest on other borrowings wholly repayable within five years	181.9	156.5
Fair value changes on derivative financial instruments – cash flow hedge (transfer from hedge reserve)	6.0	6.1
Amortisation of debt establishment costs	33.8	65.0
Other loan costs	7.8	5.6
	380.3	362.7
Less: Finance costs capitalised	(144.3)	(102.2)
	236.0	260.5

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

	2014	2013
	HK\$'M	HK\$'M
Group:		
Current – Hong Kong		
Charge for the year	86.9	65.9
Overprovision in prior years	(14.1)	(0.8)
Current – Overseas		
Charge for the year	11.5	53.2
Underprovision in prior years	0.1	0.2
Deferred	(103.1)	(33.6)
Total tax charge/(credit) for the year	(18.7)	84.9

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2013 – 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 is required for the associates as no assessable profits were earned by the associates during the year. The share of tax charge attributable to associates amounting to HK\$9.3 million was included in “Share of profits and losses of associates” in the consolidated statement of profit or loss for the prior year.

7. Dividends:

	2014	2013
	HK\$'M	HK\$'M
Interim – HK2.3 cents (2013 – HK2.2 cents) per ordinary share	25.6	24.5
Proposed final – HK9.3 cents (2013 – HK9.3 cents) per ordinary share	103.7	103.7
	129.3	128.2

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\$283.7 million (2013 – HK\$322.9 million) and on the weighted average of 1,114.8 million (2013 – 1,115.0 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, 2014 and 2013 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\$125.6 million (2013 – HK\$130.2 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:

	2014	2013
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	112.1	110.2
Between 4 to 6 months	4.1	9.3
Between 7 to 12 months	2.7	3.8
Over 1 year	9.0	9.1
	<hr/> 127.9	<hr/> 132.4
Impairment	(2.3)	(2.2)
	<hr/> 125.6 <hr/>	<hr/> 130.2 <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 does not hold any collateral or other credit enhancements over these balances.

10. Included in creditors and accruals is an amount of HK\$136.2 million (2013 – HK\$85.0 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:

	2014	2013
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	135.3	84.2
Between 4 to 6 months	0.2	0.3
Between 7 to 12 months	0.3	–
Over 1 year	0.4	0.5
	<hr/> 136.2 <hr/>	<hr/> 85.0 <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

During the year ended 31st December, 2014, the Company repurchased a total of 440,000 ordinary shares of the Company at aggregate purchase prices of HK\$1,158,600 on the Stock Exchange. Details of the repurchases of such ordinary shares were as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per ordinary share		Aggregate purchase price (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
June 2014	326,000	2.660	2.610	855,360
July 2014	114,000	2.660	2.660	303,240
Total	440,000			1,158,600
		Total expenses on shares repurchased		3,495
			Total	1,162,095

All the above 440,000 repurchased ordinary shares were cancelled during the year. The issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole in enhancing the net assets and earnings per share of the Company.

Save as disclosed above, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st December, 2014, 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, 2014, 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 and Managing Director)

Mr. Donald FAN Tung

(Chief Operating Officer)

Miss LO Po Man

Mr. Kenneth NG Kwai Kai

Mr. Kenneth WONG Po Man

Independent Non-Executive Directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP

Mr. NG Siu Chan

Hon Abraham SHEK Lai Him, GBS, JP

Mr. WONG Chi Keung

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 24th March, 2015