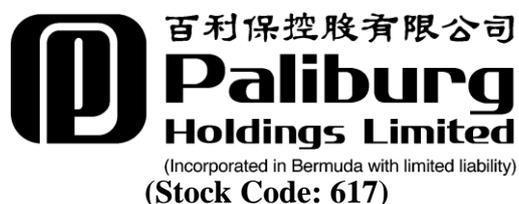


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ANNOUNCEMENT OF 2015 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2015	Year 2014	% Change
	HK\$'M	HK\$'M	
Revenue	2,900.0	2,301.2	+26.0%
Gross profit	1,202.3	1,090.4	+10.3%
Operating profit before depreciation, finance costs and tax	863.3	1,163.2	-25.8%
Profit for the year attributable to equity holders of the parent	21.5	283.7	-92.4%
Basic earnings per ordinary share attributable to equity holders of the parent	HK1.93 cents	HK25.45 cents	-92.4%
Proposed final dividend per ordinary share	HK6.7 cents	HK9.3 cents	-28.0%
Total dividends for the year per ordinary share	HK9.0 cents	HK11.6 cents	-22.4%
	As at 31st December,		
	2015	2014	
	(Unaudited)	(Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent	HK\$11.69	HK\$11.72	-0.3%

- **The substantial decrease in the profit achieved for the year is primarily due to the fact that the comparative profit recorded 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 has been adversely affected. Hence, the operating results of the hotels of the Group in Hong Kong, being one of its core business operations, have also been impacted, as compared to the levels achieved in 2014.**
- **Operating profit before depreciation, finance costs and tax for the year amounted to HK\$863.3 million (2014 – HK\$1,163.2 million, which included a number of one-off gains).**
- **Depreciation charges in a total amount of HK\$500.6 million have been provided on the Group’s hotel properties in Hong Kong for the year which, although of a non-cash nature, have nonetheless adversely affected the results under review. In addition, depreciation charges on the Group’s aircraft fleet for the year amounted to HK\$39.9 million.**
- **All the 134 studio apartment units, named Domus, in the residential project at Tan Kwai Tsuen Road in Yuen Long undertaken by P&R Holdings Limited, a 50:50 joint venture between Regal Hotels International Holdings Limited and the Company and thus effectively a subsidiary of the Group, have been presold in June 2015. The sale programme for the 36 luxurious garden houses, named Casa Regalia, which constitute the main component of the project, 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.**
- **To replenish its land bank following the disposals of the two hotel development projects in Sheung Wan and Fortress Hill to Regal Real Estate Investment Trust in 2014, P&R Holdings successfully secured from the Urban Renewal Authority in June 2015 the contract for the development of a new hotel project located at Anchor Street/Fuk Tsun Street in Tai Kok Tsui, Kowloon, which is planned to be developed into a multi-storey hotel building comprising about 288 guest rooms, with ancillary accommodation.**

- **Apart from the residential project at Tan Kwai Tsuen Road in Yuen Long recently completed, there are six ongoing development projects undertaken by P&R Holdings which are, respectively, a hotel project in To Kwa Wan, a shopping mall development in Ma On Shan, a residential project in Kau To, Shatin, a commercial/residential joint venture development project in Sham Shui Po and a hotel development project in Tai Kok Tsui both with the Urban Renewal Authority of Hong Kong and another hotel project in Sheung Wan.**
- **Cosmopolitan International Holdings Limited is a listed subsidiary of the Group held through P&R Holdings and is undertaking two composite developments in Tianjin and Chengdu in China. Two of the residential towers comprising 256 apartment units in the Tianjin development have been put onto the market for presale since October 2015. Up to date, more than 96% of the marketed residential units have been presold, realising contracted sale considerations in excess of RMB671 million.**
- **Detailed information on the business operations of Regal, Regal REIT and Cosmopolitan, the Company's listed subsidiaries, are contained in their separate results announcements released today.**
- **As the profits from the presale of development properties will only be recognised on project completion, the profit contributions from the development properties might be unevenly distributed over a period of time.**
- **While a majority of the Group's projects is planned for sale for development profits, certain of these projects such as the shopping arcade development in Ma On Shan, Sha Tin is intended to be retained for investment purposes to strengthen the Group's recurring income base.**
- **In anticipation of the scheduled disposals of the projects within its existing portfolio, the Group will take active steps to replenish its development land bank, with a view to securing a steady stream of development profits as well as recurring rental revenues in the coming years.**

FINANCIAL RESULTS

For the year ended 31st December, 2015, the Group 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.

As explained in the profit warning announcement of the Company dated 15th March, 2016, the substantial decrease in the profit achieved for the year under review is primarily due to the fact that in the comparative profit recorded in the preceding year, there were a number of one-off items including, in particular, the recovery of loans receivable 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 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.

Operating profit before depreciation, finance costs and tax for the year amounted to HK\$863.3 million (2014 – HK\$1,163.2 million, which as mentioned above included a number of one-off gains). As explained before, as the Group's hotel properties in Hong Kong are all 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 charges to conform to currently applicable accounting standards. Consequently, depreciation charges in a total amount of HK\$500.6 million have thus been provided on these hotel properties for the year which, although of a non-cash nature, have nonetheless adversely affected the results under review. In addition, depreciation charges on the Group's aircraft fleet for the year amounted to HK\$39.9 million.

BUSINESS OVERVIEW

The Group now comprises a total of four listed entities, with diversified business interests in properties, hotels, other investments and aircraft ownership and leasing businesses.

As at 31st December, 2015, the Group directly held a controlling shareholding interest of approximately 66.9% in Regal Hotels International Holdings Limited which, in turn, held approximately 74.6% of the outstanding units of Regal Real Estate Investment Trust, a listed subsidiary of Regal which owns all the eight hotels of the Group operating in Hong Kong.

The Group's property development and investment businesses in Hong Kong are now principally undertaken through P&R Holdings Limited, a joint venture 50:50 held by each of the Company and Regal. As Regal is a listed subsidiary of the Company, P&R Holdings is effectively also a subsidiary of the Group.

Apart from its property development and investment businesses, P&R Holdings also held as at 31st December, 2015 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.

Further information on the latest progress of the Group's property businesses as well as the financial results and operational review of Regal (including Regal REIT) and Cosmopolitan are presented below.

PROPERTIES

The property market in Hong Kong went through some consolidation during the latter part of the year under review but this is believed to be beneficial to the healthy development of the local real estate market in the longer term. The Government of Hong Kong is committed to

providing a steady supply of development lands to maintain overall market stability. Like in the past, the Group will continue to actively participate through P&R Holdings in the government land tenders.

As reported in the Interim Report 2015, all the 134 studio apartment units, named Domus, in the residential project at Tan Kwai Tsuen Road in Yuen Long undertaken by P&R Holdings have been presold in June 2015. The sale programme for the 36 luxurious garden houses, named Casa Regalia, which constitute the main component of the project, 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. The profit attributable to the presale of the Domus apartment units has been reflected in the results of the Group for the year under review.

In August 2015, P&R Holdings further launched the sale programme for the ten residential duplex units remaining in Rainbow Lodge in Yuen Long and all the ten units have been sold in a short period of time.

To replenish its land bank following the disposals of the two hotel development projects in Sheung Wan and Fortress Hill to Regal REIT in 2014, P&R Holdings successfully secured from the Urban Renewal Authority in June 2015 the contract for the development of a new hotel project located at Anchor Street/Fuk Tsun Street in Tai Kok Tsui, Kowloon, which is planned to be developed into a multi-storey hotel building comprising about 288 guest rooms, with ancillary accommodation.

Further details on the development projects and properties of P&R Holdings, including those undertaken in China by Cosmopolitan are contained in the section headed “Management Discussion and Analysis” in this announcement.

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

While there could still be some further consolidation in the property market in Hong Kong, the long term outlook for the real estate sector as a whole remains positive, due to the strong underlying demands.

As the profits from the presale of development properties will only be recognised on project completion, the profit contributions from the development properties might be unevenly distributed over a period of time. Apart from the development project at Tan Kwai Tsuen Road in Yuen Long which has recently been completed, all the other existing development projects are scheduled to be completed within the course of the next few years. While a majority of these projects is planned for sale for development profits, certain of these projects such as the shopping arcade development in Ma On Shan, Sha Tin is intended to be retained for investment purposes to strengthen the Group's recurring income base.

In anticipation of the scheduled disposals of the projects within its existing portfolio, the Group will take active steps to replenish its development land bank, with a view to securing a steady stream of development profits as well as recurring rental revenues in the coming years.

Overall, the Directors are optimistic of the Group's future profitability, which should generate for shareholders capital appreciation as well as satisfactory investment returns.

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 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, aircraft ownership and leasing and other investment businesses. 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 2015 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 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 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 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.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

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, 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.

FINANCIAL REVIEW

ASSETS VALUE

As at 31st December, 2015, the Group's net assets attributable to equity holders of the parent amounted to HK\$13,030.0 million, representing HK\$11.69 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\$242.6 million (2014 – HK\$60.1 million). Net interest payment for the year amounted to HK\$280.3 million (2014 – HK\$303.5 million).

Borrowings and Gearing

As at 31st December, 2015, the Group had cash and bank balances and deposits of HK\$2,500.3 million (2014 – HK\$3,332.5 million) and the Group's borrowings, net of cash and bank balances and deposits, amounted to HK\$11,237.7 million (2014 – HK\$10,025.4 million).

As at 31st December, 2015, the gearing ratio of the Group was 30.1% (2014 – 27.1%), representing the Group’s borrowings net of cash and bank balances and deposits of HK\$11,237.7 million (2014 – HK\$10,025.4 million), as compared to the total assets of the Group of HK\$37,293.7 million (2014 – HK\$36,942.1 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 HK6.7 cents (2014 – HK9.3 cents) per ordinary share for the year ended 31st December, 2015. This proposed final dividend will absorb an amount of approximately HK\$74.7 million (2014 – HK\$103.7 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 HK2.3 cents (2014 – HK2.3 cents) per ordinary share paid in October 2015, total dividends per ordinary share for the year ended 31st December, 2015 will amount to HK9.0 cents (2014 – HK11.6 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)	2,900.0	2,301.2
Cost of sales	(1,697.7)	(1,210.8)
Gross profit	1,202.3	1,090.4
Other income and gains (Note 3)	96.1	293.6
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	(0.4)	41.6
Impairment loss on property under development	(57.0)	–
Gain on bargain purchase	–	35.0
Property selling and marketing expenses	(46.7)	–
Administrative expenses	(359.1)	(369.7)
OPERATING PROFIT BEFORE DEPRECIATION	863.3	1,163.2
Depreciation	(571.1)	(515.3)
OPERATING PROFIT (Notes 2 & 4)	292.2	647.9
Finance costs (Note 5)	(229.4)	(236.0)
Share of profits and losses of associates	(18.6)	(15.5)
PROFIT BEFORE TAX	44.2	396.4
Income tax (Note 6)	(16.1)	18.7
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	28.1	415.1

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2015 HK\$'M	Year ended 31st December, 2014 HK\$'M
Attributable to:		
Equity holders of the parent	21.5	283.7
Non-controlling interests	6.6	131.4
	<hr/> 28.1 <hr/>	<hr/> 415.1 <hr/>
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	HK1.93 cents	HK25.45 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	28.1	415.1
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	36.9	28.2
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>(134.9)</u>	<u>(51.4)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>(106.8)</u>	<u>363.7</u>
Attributable to:		
Equity holders of the parent	(62.3)	258.0
Non-controlling interests	(44.5)	105.7
	<u>(106.8)</u>	<u>363.7</u>

Consolidated Statement of Financial Position

	31st December, 2015	31st December, 2014
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	19,993.3	19,687.6
Investment properties	2,101.3	1,946.6
Properties under development	1,297.3	1,305.1
Investments in associates	20.8	25.7
Available-for-sale investments	173.9	131.8
Financial asset at fair value through profit or loss	1.9	1.9
Loans receivable	9.4	1.7
Deposits and prepayments	78.4	87.2
Deferred tax assets	79.1	62.4
Trademark	610.2	610.2
Goodwill	261.0	261.0
Total non-current assets	<u>24,626.6</u>	<u>24,121.2</u>
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)	974.6	558.0
Loans receivable	0.4	13.3
Held-to-maturity investments	201.2	378.1
Financial assets at fair value through profit or loss	826.0	864.3
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	455.7	761.5
Cash and bank balances	1,520.5	2,190.0
Total current assets	<u>12,667.1</u>	<u>12,820.9</u>

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2015	31st December, 2014
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 10)	(860.8)	(661.3)
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>(2,598.0)</u>	<u>(2,193.0)</u>
NET CURRENT ASSETS	<u>10,069.1</u>	<u>10,627.9</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>34,695.7</u>	<u>34,749.1</u>
NON-CURRENT LIABILITIES		
Creditors and deposits received	(147.0)	(27.8)
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>(14,844.5)</u>	<u>(14,306.0)</u>
Net assets	<u>19,851.2</u>	<u>20,443.1</u>
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	111.4	111.4
Reserves	12,918.6	12,951.1
	<u>13,030.0</u>	<u>13,062.5</u>
Non-controlling interests	6,821.2	7,380.6
Total equity	<u>19,851.2</u>	<u>20,443.1</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	2014 HK\$'M (Restated)	2015 HK\$'M	2014 HK\$'M (Restated)	2015 HK\$'M	2014 HK\$'M	2015 HK\$'M	2014 HK\$'M
Segment revenue:																		
Sales to external customers	539.2	14.2	12.9	10.5	2,171.3	2,200.9	-	-	47.7	14.0	91.9	33.8	37.0	27.8	-	-	2,900.0	2,301.2
Intersegment sales	7.4	7.7	296.7	311.8	-	-	96.2	134.7	-	-	-	-	3.1	3.2	(403.4)	(457.4)	-	-
Total	<u>546.6</u>	<u>21.9</u>	<u>309.6</u>	<u>322.3</u>	<u>2,171.3</u>	<u>2,200.9</u>	<u>96.2</u>	<u>134.7</u>	<u>47.7</u>	<u>14.0</u>	<u>91.9</u>	<u>33.8</u>	<u>40.1</u>	<u>31.0</u>	<u>(403.4)</u>	<u>(457.4)</u>	<u>2,900.0</u>	<u>2,301.2</u>
Segment results before depreciation	6.0	248.1	(1.5)	(4.4)	837.3	971.0	(13.5)	(16.2)	58.3	61.8	118.0	29.6	(2.7)	(0.4)	-	-	1,001.9	1,289.5
Depreciation	(16.5)	(14.0)	(0.3)	(0.7)	(511.6)	(480.7)	(0.4)	(0.3)	-	-	(39.9)	(16.7)	(1.0)	(1.6)	-	-	(569.7)	(514.0)
Segment results	<u>(10.5)</u>	<u>234.1</u>	<u>(1.8)</u>	<u>(5.1)</u>	<u>325.7</u>	<u>490.3</u>	<u>(13.9)</u>	<u>(16.5)</u>	<u>58.3</u>	<u>61.8</u>	<u>78.1</u>	<u>12.9</u>	<u>(3.7)</u>	<u>(2.0)</u>	<u>-</u>	<u>-</u>	<u>432.2</u>	<u>775.5</u>
Unallocated interest income and unallocated non-operating and corporate gains																	28.7	29.0
Unallocated non-operating and corporate expenses																	(168.7)	(156.6)
Operating profit																	292.2	647.9
Finance costs																	(229.4)	(236.0)
Share of profits and losses of associates	0.1	0.3	-	-	-	3.8	-	-	-	-	-	-	(18.7)	(19.6)	-	-	(18.6)	(15.5)
Profit before tax																	44.2	396.4
Income tax																	(16.1)	18.7
Profit for the year before allocation between equity holders of the parent and non-controlling interests																	28.1	415.1
Attributable to:																		
Equity holders of the parent																	21.5	283.7
Non-controlling interests																	6.6	131.4
																	28.1	415.1

	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	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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	HK\$'M	HK\$'M
Segment assets	13,679.6	12,075.0	25.5	52.5	19,307.0	19,723.8	37.5	46.7	1,246.3	1,440.4	387.1	201.7	34.7	18.4	(36.1)	(47.4)	34,681.6	33,511.1
Investments in associates	6.3	6.1	-	-	7.1	7.1	-	-	-	-	-	-	7.4	12.5	-	-	20.8	25.7
Cash and unallocated assets																	2,591.3	3,405.3
Total assets																	<u>37,293.7</u>	<u>36,942.1</u>
Segment liabilities	(708.2)	(83.6)	(57.8)	(156.0)	(379.6)	(411.4)	(1.5)	(3.4)	(22.3)	(15.6)	(170.1)	(29.5)	(3.9)	(4.9)	36.1	47.4	(1,307.3)	(657.0)
Interest bearing bank borrowings and unallocated liabilities																	(16,135.2)	(15,842.0)
Total liabilities																	<u>(17,442.5)</u>	<u>(16,499.0)</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 of trade debtors	-	-	-	-	-	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	-	-	-	-	-	-	-	-	0.4	(41.6)	-	-	-	-				
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)	-	-	(33.0)	(30.0)	-	-	(1.1)	(9.1)				

Geographical information

(a) Revenue from external customers

	2015	2014
	HK\$'M	HK\$'M
Hong Kong	2,713.6	2,222.6
Mainland China	43.6	33.3
Other	142.8	45.3
	2,900.0	2,301.2

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	22,213.8	21,981.3
Mainland China	1,672.5	1,650.1
Other	469.2	288.5
	24,355.5	23,919.9

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	2.7	2.8
Aircraft	91.9	33.8
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	15.4	10.3
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	20.6	18.7
Dividend income from listed investments	10.3	15.2
Hotel operations and management services	2,117.3	2,148.9
Other operations	37.0	27.8
	<u>2,900.0</u>	<u>2,301.2</u>

	2015	2014
	HK\$'M	HK\$'M
<u>Other income and gains</u>		
Bank interest income	26.6	27.4
Other interest income	14.8	105.6
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 upon reclassification of a property held for sale to an investment property	–	0.1
Others	12.9	1.5
	96.1	293.6

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	15.4	10.3
Profit/(Loss) on settlement of derivative financial instruments	1.4	(30.2)
Profit on disposal of properties	128.7	–

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 – HK2.3 cents (2014 – HK2.3 cents) per ordinary share	25.6	25.6
Proposed final – HK6.7 cents (2014 – HK9.3 cents) per ordinary share	74.7	103.7
	100.3	129.3

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\$21.5 million (2014 – HK\$283.7 million) and on the weighted average of 1,114.6 million (2014 – 1,114.8 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\$165.0 million (2014 – HK\$125.6 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	142.3	112.1
Between 4 to 6 months	8.8	4.1
Between 7 to 12 months	5.3	2.7
Over 1 year	10.9	9.0
	<hr/> 167.3	<hr/> 127.9
Impairment	(2.3)	(2.3)
	<hr/> 165.0 <hr/>	<hr/> 125.6 <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\$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 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, 22nd March, 2016