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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2014

The board of directors (the “Board”) of Chinese Estates Holdings Limited (the “Company”) would like to announce the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the financial year ended 31st December, 2014 (the “Year”) pursuant to paragraph 45 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The Group’s consolidated statement of comprehensive income and consolidated statement of financial position, all of which have been reviewed by the Audit Committee, together with the comparative figures of the corresponding year ended 31st December, 2013 are set out as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2014

	<i>Notes</i>	2014 HK\$’000	2013 HK\$’000
Continuing operations			
Revenue	3	2,627,288	6,452,726
Cost of sales		(422,694)	(3,692,055)
Gross profit		2,204,594	2,760,671
Other income	5	95,220	79,180
Investment income, net	6	658,156	1,064,961
Administrative expenses		(296,296)	(307,823)
Costs of development recognised in respect of property project in Macau		(6,503)	(22,035)
Other expenses	7	(122,120)	(2,524)
Gain on disposals of properties and other fixed assets		638	45
Loss on disposals of investment properties		(6,750)	(130,370)
Fair value changes on investment properties		3,777,138	3,402,859
Finance costs	9	(395,018)	(453,589)
Other gains and losses, net	10	2,912,368	202,811
Share of results of associates		187,331	350,854
Profit before tax		9,008,758	6,945,040
Income tax expense	11	(255,859)	(443,919)
Profit for the year from continuing operations		8,752,899	6,501,121
Discontinued operation			
Profit for the year from discontinued operation	12	-	501
Profit for the year	8	8,752,899	6,501,622

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the year ended 31st December, 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Other comprehensive (expenses) income			
Continuing operations			
<i>Item that will not be reclassified to profit or loss</i>			
Surplus on revaluation of properties and other fixed assets		-	127,054
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value changes on available-for-sale investments		21,802	(26,529)
Exchange differences on translation of foreign operations		(265,250)	200,309
Share of other comprehensive (expenses) income of associates		(16,873)	93,535
		<u>(260,321)</u>	<u>267,315</u>
Other comprehensive (expenses) income for the year from continuing operations (net of tax)		<u>(260,321)</u>	<u>394,369</u>
Discontinued operation			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Fair value changes on available-for-sale investments	12	-	(136)
Other comprehensive (expenses) income for the year from continuing and discontinued operations (net of tax)		<u>(260,321)</u>	<u>394,233</u>
Total comprehensive income for the year		<u>8,492,578</u>	<u>6,895,855</u>
Profit for the year attributable to:			
Owners of the Company			
Continuing operations		8,744,927	6,317,427
Discontinued operation		-	310
		<u>8,744,927</u>	<u>6,317,737</u>
Non-controlling interests			
Continuing operations		7,972	183,694
Discontinued operation		-	191
		<u>7,972</u>	<u>183,885</u>
Total		<u>8,752,899</u>	<u>6,501,622</u>
Total comprehensive income for the year attributable to:			
Owners of the Company			
Continuing operations		8,484,606	6,711,796
Discontinued operation		-	226
		<u>8,484,606</u>	<u>6,712,022</u>
Non-controlling interests			
Continuing operations		7,972	183,694
Discontinued operation		-	139
		<u>7,972</u>	<u>183,833</u>
Total		<u>8,492,578</u>	<u>6,895,855</u>
Earnings per share (HK\$)			
Basic and diluted			
From continuing and discontinued operations		<u>4.584</u>	<u>3.312</u>
From continuing operations		<u>4.584</u>	<u>3.312</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31st December, 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Investment properties		39,528,923	45,552,614
Properties and other fixed assets		1,768,327	549,335
Property interests held for future development		-	-
Intangible assets		-	-
Goodwill		322,938	322,938
Interests in associates		2,484,767	2,370,531
Advances to associates		1,754,641	1,702,019
Available-for-sale investments		239,233	99,598
Financial assets designated as at fair value through profit or loss		379,010	1,080,272
Advance to an investee company		228,800	-
Advance to a non-controlling shareholder		14,908	14,908
Loans receivable – due after one year		-	16
Deferred tax assets		11,237	23,505
Pledged deposits		438,994	578,803
		<u>47,171,778</u>	<u>52,294,539</u>
Current assets			
Stock of properties	15	2,329,865	2,323,246
Investments held-for-trading		501,944	894,816
Financial assets designated as at fair value through profit or loss		4,247,830	11,038,052
Loans receivable – due within one year		26	13
Inventories		3,493	3,337
Debtors, deposits and prepayments	16	644,964	3,055,267
Securities trading receivables and deposits		60,384	66,103
Tax recoverable		6,511	9,910
Pledged deposits		429,689	632,780
Time deposits, bank balances and cash		4,719,223	3,881,250
Sales proceeds held by stakeholders		1,867,162	1,546,180
		<u>14,811,091</u>	<u>23,450,954</u>
Assets classified as held for sale	18	9,442,062	64,733
		<u>24,253,153</u>	<u>23,515,687</u>
Current liabilities			
Creditors and accruals	17	1,503,076	1,794,252
Dividend payable		7,630,476	-
Securities trading and margin payable		45,478	15,136
Deposits and receipts in advance		934,726	1,068,654
Tax liabilities		77,813	247,062
Borrowings – due within one year		6,707,935	7,386,683
Provisions		27,561	39,424
Financial guarantee liabilities		102	37
		<u>16,927,167</u>	<u>10,551,248</u>
Liabilities directly associated with assets classified as held for sale	18	1,759,937	-
		<u>18,687,104</u>	<u>10,551,248</u>
Net current assets		<u>5,566,049</u>	<u>12,964,439</u>
Total assets less current liabilities		<u>52,737,827</u>	<u>65,258,978</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 31st December, 2014

	2014 HK\$'000	2013 HK\$'000
Equity attributable to owners of the Company		
Share capital	190,762	190,762
Properties revaluation reserve	225,216	225,216
Securities investments reserve	41,022	19,223
Statutory reserve	53,650	41,760
Other reserve	(2,435)	(2,501)
Special reserve	2,499,685	2,499,685
Capital redemption reserve	138,062	138,062
Translation reserve	1,026,504	1,308,690
Retained profits		
- proposed final dividend	19,076	953,810
- others	37,375,812	41,729,041
	<u>41,567,354</u>	<u>47,103,748</u>
Non-controlling interests	85,239	86,017
Total equity	<u>41,652,593</u>	<u>47,189,765</u>
Non-current liabilities		
Borrowings – due after one year	9,840,993	16,524,293
Provisions	1,257	18,519
Amounts due to associates	58,419	58,727
Amounts due to investee companies	27,085	402,685
Amounts due to non-controlling shareholders	489,639	369,236
Deferred tax liabilities	667,841	695,753
	<u>11,085,234</u>	<u>18,069,213</u>
	<u>52,737,827</u>	<u>65,258,978</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2014

1. Basis of Preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules on the Stock Exchange.

These consolidated financial statements have been prepared under the historical cost basis, except for certain properties and financial instruments, which are measured at their fair values.

2. Application of New and Revised HKFRSs

The accounting policies adopted in these consolidated financial statements for the Year are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31st December, 2013 except as described below.

In the current year, the Group has applied, for the first time, the following amendments to existing HKFRSs and new interpretation (“Amendments and New Interpretation”) issued by the HKICPA, which are effective for current accounting year of the Group. The Amendments and New Interpretation adopted by the Group in these consolidated financial statements are set out below:

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The 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 in accordance with HKFRS 9 “Financial Instruments” rather than consolidate them. Consequential amendments were made to HKFRS 12 “Disclosure of Interests in Other Entities” and HKAS 27 (Revised in 2011) “Separate Financial Statements”.

The amendments to HKAS 32 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 to HKAS 36 remove the unintended disclosure requirements made by HKFRS 13 “Fair Value Measurement” on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal.

Save as described above, the application of the Amendments and New Interpretation had no material effect on how the results and financial position for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

2. Application of New and Revised HKFRSs (continued)

The Group has not early adopted the following new HKFRSs and amendments to existing HKFRSs (“new and revised HKFRSs”) that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle ²
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle ³
HKFRS 9	Financial Instruments ⁶
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception ³
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ³
HKFRS 14	Regulatory Deferral Accounts ⁴
HKFRS 15	Revenue from Contracts with Customers ⁵
HKAS 1 (Amendments)	Disclosure Initiative ³
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ³
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ³
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions ¹
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ³

¹ Effective for annual periods beginning on or after 1st July, 2014

² Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions

³ Effective for annual periods beginning on or after 1st January, 2016

⁴ Effective for first annual HKFRS financial statements beginning on or after 1st January, 2016

⁵ Effective for annual periods beginning on or after 1st January, 2017

⁶ Effective for annual periods beginning on or after 1st January, 2018

HKFRS 9 Financial Instruments

HKFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 “Financial Instruments: Recognition and Measurement” that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the “hedged ratio” to be the same as the one management actually use for risk management purposes.

2. Application of New and Revised HKFRSs (continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture.

The directors of the Company ("Directors") are in the process of assessing the potential impact of the new and revised HKFRSs but are not yet in a position to determine whether the new and revised HKFRSs will have a significant impact on how the Group's results of operations and financial position are prepared and presented. The new and revised HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. Revenue

Revenue represents the aggregate amounts received and receivable from property rental income, sales of properties held for sale, gains/losses from sales of investments held-for-trading, hotel operation income, commission from brokerage, settlement charges from brokerage, cosmetic goods sold less returns and interest income from loan financing, analysed as follows:

	2014 HK\$'000	2013 HK\$'000
Continuing operations		
Property rental income	1,939,378	1,791,257
Sales of properties held for sale	617,086	4,651,665
Gains (losses) on sales of investments held-for-trading	29,074	(44,399)
Hotel operation income	25,356	-
Brokerage and cosmetic income	16,389	18,555
Interest income from loan financing	5	35,648
	2,627,288	6,452,726

4. Operating Segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has six reportable segments – (i) property development and trading; (ii) property leasing for retail; (iii) property leasing for non-retail; (iv) listed available-for-sale equity investments; (v) listed investments held-for-trading and treasury products; and (vi) unlisted investments, investment holding and brokerage. The segmentations are based on the information about the operation of the Group that management of the Group uses to make decisions.

Principal activities are as follows:

Property development and trading	–	Property development and sales of trading properties
Property leasing		
- Retail	–	Property leasing from retail properties
- Non-retail	–	Property leasing from non-retail properties
Listed available-for-sale equity investments	–	Listed equity securities in available-for-sale investments
Listed investments held-for-trading and treasury products	–	Listed securities investments in investments held-for-trading, over-the-counter trading and structured products
Unlisted investments, investment holding and brokerage	–	Unlisted securities investments, trading and brokerage

The reportable segment of “floating rate and fixed rate notes” on available-for-sale investments was discontinued since the year ended 31st December, 2012 as a result of the disposals of two listed subsidiaries of the Group. Details of the discontinued operation are set out in Note 12.

The Group evaluates performance on the basis of profit or loss from operations after tax expense and non-controlling interests but not including the major non-cash items. The major non-cash items are unrealised fair value changes on investments properties and other properties together with their, if applicable, respective deferred tax. No intersegment revenue is accounted for as the intersegment revenue is mainly the rental income for administrative purpose.

The Group’s measurement methods used to determine reported segment profit or loss remain unchanged from 2013.

The Group’s reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different markets and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and result are attributed to countries on the basis of the property location.

There was no major customer who individually accounted for over 10% of the Group’s revenue.

4. Operating Segments (continued)

Operating segment information is presented below:

Consolidated Statement of Comprehensive Income For the year ended 31st December, 2014

	Property development and trading HK\$'000	Property leasing		Listed available-for-sale equity investments HK\$'000	Listed investments held-for-trading and treasury products HK\$'000	Unlisted investments, holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Continuing operations								
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	466,881	-	-	466,881
- Other countries	-	-	-	-	11,135,671	-	-	11,135,671
	-	-	-	-	11,602,552	-	-	11,602,552
Revenue								
Revenue from external customers								
- Hong Kong	206,590	1,212,742	418,318	-	29,074	5,772	10,622	1,883,118
- Mainland China	410,496	61,159	44,095	-	-	-	25,356	541,106
- United Kingdom	-	5,576	197,488	-	-	-	-	203,064
	617,086	1,279,477	659,901	-	29,074	5,772	35,978	2,627,288
Revenue from external customers after non-controlling interests								
	565,439	1,278,268	659,492	-	29,074	5,772	35,978	2,574,023
Attributable property sales from associates/investee								
- Hong Kong	1,491,160	-	-	-	-	-	-	1,491,160
Attributable rental revenue from associates/investee								
- Hong Kong	-	18,960	34,652	-	-	-	-	53,612
- Mainland China	-	76,279	91,332	-	-	-	-	167,611
	2,056,599	1,373,507	785,476	-	29,074	5,772	35,978	4,286,406
Result								
Segment result								
- Hong Kong	486,893	1,162,125	393,900	-	111,291	41,559	18,119	2,213,887
- Mainland China	236,745	54,692	38,324	-	-	33,169	(11,513)	351,417
- United Kingdom	-	5,446	192,878	-	-	-	-	198,324
- Other countries	-	-	-	-	114,218	29	-	114,247
	723,638	1,222,263	625,102	-	225,509	74,757	6,606	2,877,875
Share of results of associates								
- Attributable property sales, net								
- Hong Kong	15,645	-	-	-	-	-	-	15,645
- Attributable gross income								
- Hong Kong	-	17,905	33,561	-	-	-	1,732	53,198
- Mainland China	-	76,279	91,332	-	-	-	-	167,611
- Attributable operating cost								
- Hong Kong	-	(1,464)	(5,680)	-	-	-	-	(7,144)
- Mainland China	-	(31,885)	(14,917)	-	-	-	-	(46,802)
Non-controlling interests	(24,261)	(1,096)	(371)	-	-	-	-	(25,728)
	715,022	1,282,002	729,027	-	225,509	74,757	8,338	3,034,655
Other income and expenses, net								
Costs of development recognised in respect of property project in Macau	(6,503)	-	-	-	-	-	-	(6,503)
Loss on disposals of investment properties	-	(6,750)	-	-	-	-	-	(6,750)
Finance (costs) income	-	(3,071)	(108,762)	-	10,673	-	-	(101,160)
Other gains and losses, net	(65)	(5,146)	-	-	-	-	-	(5,211)
Share of results of associates								
- Income tax and others	(15,911)	(35,862)	(38,731)	-	-	-	(107)	(90,611)
Non-controlling interests	(16)	(5)	-	-	-	-	-	(21)
	631,483	1,231,410	581,534	-	236,182	76,167	(52,483)	2,704,293
Unallocated items								
Unallocated corporate expenses, net								(217,577)
Unallocated finance costs								(293,858)
Gain on disposal of subsidiaries								2,917,579
Income tax expense								(260,390)
Unallocated non-controlling interests								17,777
Operating profit for the year from continuing operations attributable to owners of the Company								
								4,867,824
Operating profit for the year from discontinued operation attributable to owners of the Company								
								-
Operating profit for the year from continuing and discontinued operations								
								4,867,824
Realised fair value changes on disposal of investment properties								
- Recognised in current year								(286)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of associates and non-controlling interests)								3,872,858
- Deferred tax credit								4,531
Profit for the year from continuing and discontinued operations attributable to owners of the Company								
								8,744,927

4. Operating Segments (continued)
Consolidated Statement of Comprehensive Income (continued)
For the year ended 31st December, 2014

	HK\$'000
Core profit (excluding major non-cash items)	
Operating profit for the year from continuing and discontinued operations	4,867,824
Major accumulated realised fair value changes on disposals of investment properties in current year	
- Recognised in current year	(286)
- Recognised in prior years	54,968
Core profit for the year from continuing and discontinued operations attributable to owners of the Company	<u>4,922,506</u>

Consolidated Statement of Financial Position
At 31st December, 2014

	Property development and trading HK\$'000	Property leasing		Listed available-for-sale equity investments HK\$'000	Listed investments held-for-trading and treasury products HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Assets								
Segment assets								
- Hong Kong	4,021,211	19,755,263	11,449,659	-	501,944	807,812	51,681	36,587,570
- Mainland China	5,733,566	1,283,423	1,077,995	-	-	374,931	1,788,424	10,258,339
- United Kingdom	-	162,219	4,903,280	-	-	-	-	5,065,499
- Other countries	-	-	-	-	4,895,072	77,653	-	4,972,725
Interests in associates								
- Hong Kong	34,330	524,413	1,184,676	-	-	1,481	30,102	1,775,002
- Mainland China	143,105	95,344	471,316	-	-	-	-	709,765
Advances to associates								
- Hong Kong	7,068	210	127	-	-	2	1,494	8,901
- Mainland China	997,681	59,893	688,166	-	-	-	-	1,745,740
Reportable segment assets	<u>10,936,961</u>	<u>21,880,765</u>	<u>19,775,219</u>	-	<u>5,397,016</u>	<u>1,261,879</u>	<u>1,871,701</u>	<u>61,123,541</u>
Assets classified as held for sale								9,442,062
Unallocated corporate assets								<u>859,328</u>
Consolidated total assets								<u>71,424,931</u>
Liabilities								
Segment liabilities								
- Hong Kong	1,384,030	290,701	168,780	-	3	48,194	85,054	1,976,762
- Mainland China	459,798	42,676	17,844	-	-	-	20,374	540,692
- United Kingdom	-	81,934	2,915,086	-	-	-	-	2,997,020
- Other countries	-	-	-	-	1,713,785	3	-	1,713,788
Reportable segment liabilities	<u>1,843,828</u>	<u>415,311</u>	<u>3,101,710</u>	-	<u>1,713,788</u>	<u>48,197</u>	<u>105,428</u>	<u>7,228,262</u>
Liabilities directly associated with assets classified as held for sale								1,759,937
Unallocated corporate liabilities								<u>20,784,139</u>
Consolidated total liabilities								<u>29,772,338</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)								
	<u>968,203</u>	<u>30,619</u>	<u>74,909</u>	-	-	-	<u>189,906</u>	

4. Operating Segments (continued)
Other Material Items
For the year ended 31st December, 2014

	Continuing operations			Discontinued operation	Continuing and discontinued operations
	Reportable segments total	Adjustments for unallocated	Adjustments for major non-cash items	Total	Consolidated statement of comprehensive income total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	739,010	-	-	739,010	739,010
Finance costs	(101,160)	(293,858)	-	(395,018)	(395,018)
Net income (expenses)	637,850	(293,858)	-	343,992	343,992
Depreciation	-	(23,381)	-	(23,381)	(23,381)
Fair value changes on investment properties	-	(286)	3,777,424	3,777,138	3,777,138
Costs of development recognised in respect of property project in Macau	(6,503)	-	-	(6,503)	(6,503)
Share of results of associates	91,897	-	95,434	187,331	187,331
Income tax (expense) credit	-	(260,390)	4,531	(255,859)	(255,859)
Non-controlling interests	(25,749)	17,777	-	(7,972)	(7,972)

4. Operating Segments (continued)

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2013

	Property development and trading HK\$'000	Property leasing		Listed available- for-sale equity investments HK\$'000	Listed investments held-for- trading and treasury products HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Continuing operations								
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	2,434,160	-	-	2,434,160
- Other countries	-	-	-	-	13,646,871	-	-	13,646,871
	-	-	-	-	16,081,031	-	-	16,081,031
Revenue								
Revenue from external customers								
- Hong Kong	2,917,456	1,117,798	379,147	-	(45,623)	5,975	48,228	4,422,981
- Mainland China	1,734,209	54,611	47,687	-	-	-	-	1,836,507
- United Kingdom	-	5,273	186,741	-	-	-	-	192,014
- Other countries	-	-	-	-	1,224	-	-	1,224
	4,651,665	1,177,682	613,575	-	(44,399)	5,975	48,228	6,452,726
Revenue from external customers after non-controlling interests								
	3,922,523	1,176,964	613,302	-	(44,399)	5,975	48,228	5,722,593
Attributable property sales from associates								
- Hong Kong	368,904	-	-	-	-	-	-	368,904
Attributable rental revenue from associates								
- Hong Kong	-	15,802	27,971	-	-	-	-	43,773
- Mainland China	-	84,216	84,539	-	-	-	-	168,755
	4,291,427	1,276,982	725,812	-	(44,399)	5,975	48,228	6,304,025
Result								
Segment result								
- Hong Kong	939,006	1,073,576	367,812	-	(57,774)	42,455	56,848	2,421,923
- Mainland China	100,761	47,706	41,443	-	-	68,470	-	258,380
- United Kingdom	-	5,268	186,564	-	-	-	-	191,832
- Other countries	-	-	-	-	970,357	34	-	970,391
	1,039,767	1,126,550	595,819	-	912,583	110,959	56,848	3,842,526
Share of results of associates								
- Attributable property sales, net								
- Hong Kong	116,248	-	-	-	-	-	-	116,248
- Attributable gross income								
- Hong Kong	-	15,802	27,971	-	-	-	1,638	45,411
- Mainland China	-	84,216	84,539	-	-	-	-	168,755
- Attributable operating cost								
- Hong Kong	-	(1,032)	(2,971)	-	-	-	-	(4,003)
- Mainland China	-	(47,304)	(14,993)	-	-	-	-	(62,297)
Non-controlling interests	(234,749)	(636)	(245)	-	-	-	-	(235,630)
	921,266	1,177,596	690,120	-	912,583	110,959	58,486	3,871,010
Other income	3,313	1,708	-	-	-	-	-	5,021
Costs of development recognised								
in respect of property project in Macau	(22,035)	-	-	-	-	-	-	(22,035)
Loss on disposals of investment properties	-	(130,370)	-	-	-	-	-	(130,370)
Finance costs	-	(2,982)	(105,600)	-	(56,607)	-	-	(165,189)
Other gains and losses, net	-	-	4,275	-	-	-	-	4,275
Share of results of associates								
- Income tax and others	(12,312)	(28,008)	57,764	-	-	-	(888)	16,556
Non-controlling interests	(496)	(1,113)	-	-	-	-	-	(1,609)
	889,736	1,016,831	646,559	-	855,976	110,959	57,598	3,577,659
Unallocated items								
Unallocated corporate expenses, net								(253,037)
Unallocated finance costs								(288,400)
Gain on disposal of subsidiaries								198,536
Income tax expense								(379,992)
Unallocated non-controlling interests								53,603
Operating profit for the year from continuing operations attributable to owners of the Company								2,908,369
Operating profit for the year from discontinued operation attributable to owners of the Company								310
Operating profit for the year from continuing and discontinued operations								2,908,679
Realised fair value changes on disposal of investment properties								
- Recognised in current year								491,433
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of associates and non-controlling interests)								2,981,552
- Deferred tax expense								(63,927)
Profit for the year from continuing and discontinued operations attributable to owners of the Company								6,317,737

4. Operating Segments (continued)

Consolidated Statement of Comprehensive Income (continued)

For the year ended 31st December, 2013

	HK\$'000
Core profit (excluding major non-cash items)	
Operating profit for the year from continuing and discontinued operations	2,908,679
Major accumulated realised fair value changes on disposals of investment properties in current year	
- Recognised in current year	491,433
- Recognised in prior years	356,721
Core profit for the year from continuing and discontinued operations attributable to owners of the Company	<u>3,756,833</u>

Consolidated Statement of Financial Position

At 31st December, 2013

	Property development and trading HK\$'000	Property leasing		Listed available-for-sale equity investments HK\$'000	Listed investments held-for-trading and treasury products HK\$'000	Unlisted investments, holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Assets								
Segment assets								
- Hong Kong	3,847,767	25,708,871	10,343,349	-	894,816	752,624	47,323	41,594,750
- Mainland China and Macau	10,256,012	1,288,181	866,628	-	-	7,115	3,799	12,421,735
- United Kingdom	-	125,329	4,316,229	-	-	-	-	4,441,558
- Other countries	-	-	-	-	12,415,690	-	-	12,415,690
Interests in associates								
- Hong Kong	33,235	489,895	1,085,054	-	-	1,309	29,695	1,639,188
- Mainland China	161,920	115,225	454,198	-	-	-	-	731,343
Advances to associates								
- Hong Kong	7,096	204	137	-	-	2	1,477	8,916
- Mainland China	987,345	60,190	645,568	-	-	-	-	1,693,103
Reportable segment assets	<u>15,293,375</u>	<u>27,787,895</u>	<u>17,711,163</u>	-	<u>13,310,506</u>	<u>761,050</u>	<u>82,294</u>	<u>74,946,283</u>
Assets classified as held for sale								64,733
Unallocated corporate assets								799,210
Consolidated total assets								<u>75,810,226</u>
Liabilities								
Segment liabilities								
- Hong Kong	1,166,264	828,949	169,516	-	2	16,389	84,007	2,265,127
- Mainland China and Macau	950,374	23,744	19,628	-	-	-	-	993,746
- United Kingdom	-	93,323	3,222,249	-	-	-	-	3,315,572
- Other countries	-	-	-	-	6,453,230	-	-	6,453,230
Reportable segment liabilities	<u>2,116,638</u>	<u>946,016</u>	<u>3,411,393</u>	-	<u>6,453,232</u>	<u>16,389</u>	<u>84,007</u>	<u>13,027,675</u>
Unallocated corporate liabilities								15,592,786
Consolidated total liabilities								<u>28,620,461</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>1,837,954</u>	<u>128,222</u>	<u>256,903</u>	-	-	-	3,314	

4. Operating Segments (continued)

Other Material Items

For the year ended 31st December, 2013

	Continuing operations			Total	Discontinued operation	Continuing and discontinued operations
	Reportable segments total	Adjustments for unallocated	Adjustments for major non-cash items		Total	Consolidated statement of comprehensive income total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income	921,286	8,187	-	929,473	510	929,983
Finance costs	(165,189)	(288,400)	-	(453,589)	-	(453,589)
Net income (expenses)	756,097	(280,213)	-	475,884	510	476,394
Depreciation	-	(18,525)	-	(18,525)	-	(18,525)
Fair value changes on investment properties	-	491,433	2,911,426	3,402,859	-	3,402,859
Costs of development recognised in respect of property project in Macau	(22,035)	-	-	(22,035)	-	(22,035)
Share of results of associates	280,670	-	70,184	350,854	-	350,854
Income tax expense	-	(379,992)	(63,927)	(443,919)	(38)	(443,957)
Non-controlling interests	(237,239)	53,603	(58)	(183,694)	(191)	(183,885)

5. Other Income

	2014 HK\$'000	2013 HK\$'000
Included in other income are:		
Continuing operations		
Building management fee income	207,230	212,491
Building management fee expenses	(192,105)	(195,597)
	15,125	16,894
Forfeiture of deposits received on sales of stock of properties	264	252
Assets management and maintenance services income	11,556	15,049
Property management services, leasing administration services and property administration services income	12,282	4,763
Advisory and consultancy services income	312	-
Rental services income	17,636	-
Consultancy fee income	9,227	242
Exchange gain, net	-	2,820
Interest income from loan note (<i>note</i>)	-	8,187
	<u> </u>	<u> </u>
Discontinued operation		
Exchange gain, net	-	37
	<u> </u>	<u> </u>

Note: The loan note, which represented part of the consideration for the disposal of Grandday Group Limited ("Grandday") (an available-for-sale investment of the Group) in 2012 and carried interest at 2% per annum, was fully redeemed by the purchaser together with all interest accrued thereon in 2013 (Note 21).

6. Investment Income, Net

	2014 HK\$'000	2013 HK\$'000
Continuing operations		
Financial assets at fair value through profit or loss classified as held-for-trading:		
Unrealised gain (loss) arising on change in fair value	44,009	(30,299)
Financial assets designated as at fair value through profit or loss:		
Unrealised loss arising on change in fair value	(446,541)	(55,199)
Realised (loss) gain arising on change in fair value		
Change in fair value	(122,538)	159,346
Exchange component of change	(16,551)	(7,606)
Net (loss) gain arising on change in fair value of financial assets designated as at fair value through profit or loss	(585,630)	96,541
Underwriting commission income	-	46,518
Impairment loss for available-for-sale investments	(12,983)	-
Other investment income, net	15,416	14,138
Dividend income on:		
Listed investments	38,208	18,148
Unlisted investments	420,893	34,771
Interest income	738,243	885,144
	<u>658,156</u>	<u>1,064,961</u>
Discontinued operation		
Interest income	-	510
	<u>658,156</u>	<u>1,065,471</u>

6. Investment Income, Net (continued)

Included in interest income from continuing operations are interests from bonds and preference shares of approximately HK\$684,432,000 (2013: interests from bonds of HK\$811,936,000). Included in interest income from discontinued operation for the year ended 31st December, 2013 is interest from unlisted fixed rate notes of approximately HK\$510,000.

7. Other Expenses

	2014 HK\$'000	2013 HK\$'000
Included in other expenses are:		
Continuing operations		
Interest on sales deposits repaid to promissory purchasers of property project in Macau	61,405	-
Pre-operating expenses for hotel	60,714	-
Expenses for specific transactions	1	2,524
	<u>61,405</u>	<u>2,524</u>

8. Profit for the Year

	2014 HK\$'000	2013 HK\$'000
Profit for the year has been arrived at after (charging) crediting:		
Continuing operations		
Total staff costs:		
Staff costs, including Directors' emoluments	(271,205)	(223,400)
Retirement benefits scheme contributions, net of forfeited contributions of approximately HK\$1,173,000 (2013: HK\$674,000)	(8,892)	(9,195)
	<u>(280,097)</u>	<u>(232,595)</u>
Auditors' remuneration		
- Current year	(3,005)	(3,196)
- Underprovision in prior years	(16)	-
Depreciation	(23,381)	(18,525)
Exchange loss, net	(4,151)	-
Cost of trading properties recognised	(225,674)	(3,310,619)
Cost of cosmetic products recognised	(3,669)	(3,988)
Cost of inventories for hotel recognised	(3,499)	-
Share of tax of associates (included in share of results of associates)	(23,989)	(34,138)
Gross proceeds on sale of investments held-for-trading	466,881	2,457,115
Carrying amount on investments held-for-trading disposed	(436,882)	(2,498,519)
Transaction costs on investments held-for-trading disposed	(925)	(2,995)
Net gain (loss) on sale of investments held-for-trading included in revenue	<u>29,074</u>	<u>(44,399)</u>
Gross rental income from investment properties	1,939,378	1,791,257
Less: Direct operating expenses from investment properties that generated rental income during the year	(89,972)	(62,576)
Direct operating expenses from investment properties that did not generate rental income during the year	(2,041)	(6,312)
	<u>1,847,365</u>	<u>1,722,369</u>
Discontinued operation		
Auditors' remuneration	<u>-</u>	<u>(7)</u>

9. Finance Costs

	2014 HK\$'000	2013 HK\$'000
Continuing operations		
Interest on:		
Bank loans wholly repayable within five years	483,606	460,734
Other loans wholly repayable within five years	22,130	42,085
Amount due to a non-controlling shareholder	16,880	8,600
Loan from a former subsidiary wholly repayable within five years	-	4,842
Total interest	<u>522,616</u>	<u>516,261</u>
Exchange (gain) loss on translation of foreign currency loans, net	(32,803)	14,522
Other finance costs	<u>47,492</u>	<u>57,035</u>
	537,305	587,818
Less: Interest capitalised to stock of properties under development	(1,251)	(1,282)
Interest capitalised to investment properties under development	<u>(141,036)</u>	<u>(132,947)</u>
	395,018	453,589

10. Other Gains and Losses, Net

	2014 HK\$'000	2013 HK\$'000
Included in other gains and losses, net are:		
Continuing operations		
Gain on disposal of subsidiaries (<i>note (i)</i>)	2,917,579	198,536
Underprovision for rental guarantee (<i>note (ii)</i>)	(5,146)	-
Gain on deregistration of an associate	<u>-</u>	<u>4,275</u>

Notes:

(i) Gain on disposal of subsidiaries arose from the disposal of the Group's entire interest in Value Eight Limited ("Value Eight"), an indirect wholly-owned subsidiary of the Company, and its subsidiaries ("Moon Ocean Group") on 31st October, 2014 ("Moon Ocean Disposal") (2013: disposal of the Group's entire 61.96% interest in Chi Cheung Investment Company, Limited (now known as LT Commercial Real Estate Limited), a listed subsidiary of the Company, on 6th February, 2013 ("Chi Cheung Disposal")).

(ii) The amount represented underprovision in rental guarantee provided to purchasers of certain shops or units of an investment property disposed of in current and prior years.

11. Income Tax Expense

	2014 HK\$'000	2013 HK\$'000
The charge comprises:		
Continuing operations		
Current tax:		
Hong Kong Profits Tax	152,687	310,874
Other than Hong Kong	65,490	48,129
	218,177	359,003
Underprovision (overprovision) in prior years:		
Hong Kong Profits Tax	270	3,247
Other than Hong Kong	14,293	(9,454)
	14,563	(6,207)
Deferred tax:		
Current year charge	23,126	91,061
(Overprovision) underprovision in prior years	(7)	62
	23,119	91,123
	255,859	443,919
Discontinued operation		
Current tax:		
Hong Kong Profits Tax	-	38
	255,859	443,957

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the Year. The People's Republic of China ("PRC") Enterprise Income Tax rate of 25% (2013: 25%) is used for estimation of PRC Enterprise Income Tax. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

12. Discontinued Operation

As a result of the Chi Cheung Disposal and the disposal of the Group's entire 41.93% interest in G-Prop (Holdings) Limited (now known as Common Splendor International Health Industry Group Limited), another listed subsidiary of the Company, on 6th August, 2012 ("G-Prop Disposal"), the reportable segment of "floating rate and fixed rate notes" has been discontinued since the year ended 31st December, 2012 and, in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" issued by the HKICPA, their consolidated results were therefore classified as discontinued operation since then.

Details of the G-Prop Disposal and the Chi Cheung Disposal were set out in the announcements of the Company dated 17th June, 2012 and 5th December, 2012 respectively.

13. Dividends

	2014 HK\$'000	2013 HK\$'000
(a) Final dividend for 2013 paid on 6th June, 2014 of HK50 cents (2012: HK20 cents) per share	953,810	381,524
(b) Interim dividend for 2014 paid on 24th September, 2014 of HK30 cents (2013: HK20 cents) per share	572,286	381,524
(c) Special interim dividend for 2014 paid on 31st October, 2014 of HK\$2.55 (special interim dividend for 2013 of HK\$1.3 and 2012 of HK\$1) per share	4,864,428	4,387,524
Total dividends paid	6,390,524	5,150,572

On 16th December, 2014, the Board declared a special interim dividend of HK\$4 per share which was paid on 13th January, 2015.

Final dividend of HK1 cent (2013: HK50 cents) per share has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. Earnings per Share

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2014 HK\$'000	2013 HK\$'000
Earnings:		
Earnings for the purposes of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company:		
Continuing operations	8,744,927	6,317,427
Discontinued operation	-	310
Continuing and discontinued operations	<u>8,744,927</u>	<u>6,317,737</u>
	Number of shares	
	2014	2013
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>1,907,619,079</u>	<u>1,907,619,079</u>

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations is based on the profit for the Year from continuing operations attributable to owners of the Company of approximately HK\$8,744,927,000 (2013: HK\$6,317,427,000) and on the weighted average number of 1,907,619,079 (2013: 1,907,619,079) ordinary shares in issue during the Year.

From discontinued operation

Basic and diluted earnings per share from discontinued operation is nil (2013: HK0.02 cents) which is calculated based on the profit for the Year from discontinued operation attributable to owners of the Company of nil (2013: approximately HK\$310,000) and on the weighted average number of 1,907,619,079 (2013: 1,907,619,079) ordinary shares in issue during the Year.

Diluted earnings per share for the years ended 31st December, 2014 and 2013 were the same as the basic earnings per share as there were no diluting events during both years.

15. Stock of Properties

The carrying amounts of Stock of Properties during the period from 1st January, 2014 to 30th October, 2014 and year ended 31st December, 2013 included various costs incurred in the Macau Land (as defined hereinafter) and their reclassification. Such costs were deconsolidated on 31st October, 2014 and did not form part of Stock of Properties as at 31st December, 2014.

As set out in the Company's announcement dated 17th June, 2012, Moon Ocean Ltd. ("Moon Ocean"), a former indirect wholly-owned subsidiary of the Company, received a notice of preliminary hearing dated 15th June, 2012 ("First Notice") from the Land, Public Works and Transport Bureau ("LPWT") of Macau Special Administrative Region of the PRC ("Macau") regarding the transfers of the rights deriving from the land concession for the five plots of land adjacent to the Macau International Airport (according to the Group's record, formerly known as Lots 1C; 2; 3; 4 and 5 (parcels 5A, 5B and C), Avenida Wai Long, Taipa, Macau, which were registered in the Macau Land Registry under Nos. 22993, 22991, 22995, 22990 and 22989 and later revised as Lots 1C1; 1C2; 1C3; 2a; 2b; 2d; 3; 4a; 4b; 5a1; 5a2; 5a3; 5b1; 5b2; 5b3; 5b4; 5b5; 5b6; A3a; A3b; A4a; A4b; E1a; E1b; E2 and E3 which were registered in the Macau Land Registry under No. 22989 as per the 2011 Revision (as defined hereinafter)) ("Macau Land") from five Macau companies to which the land concession was originally granted ("Original Owners") to Moon Ocean ("Land Transfers") and the amendments of the related land concession contracts.

15. Stock of Properties (continued)

It was stated in the First Notice that (i) the Chief Executive of Macau had approved the initiation of the procedures for declaring the act of the Chief Executive of Macau in confirming the approval of the Land Transfers and the amendments of the related land concession contracts in March 2006 invalid and returning the Macau Land to the Original Owners (“First Matters”); and (ii) Moon Ocean may make written submission regarding the First Matters within 15 days from the receipt of the First Notice.

The Group’s Macau legal advisor (“Macau Legal Advisor”) made the submission which set out the basis for opposing the First Matters on 29th June, 2012. As set out in the Company’s announcement dated 14th August, 2012, Moon Ocean received a notice from the LPWT (“Second Notice”) stating that (i) the Chief Executive of Macau had declared the previous act of the Chief Executive of Macau in confirming the approval of the Land Transfers and the amendments of the related land concession contracts in March 2006 invalid (“First Decision”); and (ii) Moon Ocean may present objection to the First Decision within 15 days from the gazetting of the First Decision and may also appeal to the Court of Second Instance of Macau. The First Decision was then published on the official bulletin of the government of Macau dated 15th August, 2012.

On 28th August, 2012, the Macau Legal Advisor filed on behalf of Moon Ocean an objection to the Chief Executive of Macau’s Bureau against the First Decision. On 14th September, 2012, as Moon Ocean had not received any reply from the Chief Executive of Macau regarding such objection, Moon Ocean and a promissory purchaser of La Scala (“Purchaser”) therefore jointly lodged an appeal to the Court of Second Instance of Macau against the First Decision on the same date (“First Decision Appeal”). Details of lodging the objection and the First Decision Appeal were disclosed in the Company’s announcements on 28th August, 2012 and 14th September, 2012 respectively.

On 4th September, 2012, Moon Ocean further received a notice of preliminary hearing (“Third Notice”) from the LPWT which stated that (i) the Chief Executive of Macau had approved the initiation of the procedures for declaring the act of the Chief Executive of Macau in confirming the approval of the increase of residential gross floor area of the Macau Land from 392,505 to 537,560 square meters and an exchange of 9 small pieces of land with a total site area of approximately 1,282 square meters initially forming part of the Macau Land for 8 small pieces of adjacent land with a total site area of approximately 5,204 square meters as announced on 9th March, 2011 (“2011 Revision”) was invalid (“Second Matters”); and (ii) Moon Ocean may make written submission on the issues regarding the subject matter of the above procedures within 15 days from the receipt of the Third Notice.

The Macau Legal Advisor made the submission which set out the basis for opposing the Second Matters on 19th September, 2012.

On 16th April, 2013, Moon Ocean received a notice (“Fourth Notice”) from the LPWT stating that (i) the Chief Executive of Macau declared the previous act of approval of the 2011 Revision by the Chief Executive of Macau was invalid (“Second Decision”); and (ii) Moon Ocean may present objection against the Second Decision within 15 days from the gazetting of the Second Decision and may also appeal to the Court of Second Instance of Macau. Details of the Fourth Notice were disclosed in the Company’s announcement dated 16th April, 2013. The Second Decision was then published on the official bulletin of the government of Macau dated 17th April, 2013.

On 15th May, 2013, Moon Ocean and two promissory purchasers of La Scala jointly lodged an appeal to the Court of Second Instance of Macau against the Second Decision (“Second Decision Appeal”). Details of lodging the Second Decision Appeal were disclosed in the Company’s announcement dated 15th May, 2013.

On 11th October, 2013, the Court of Second Instance of Macau issued a notice of its decision made on 10th October, 2013 regarding the legitimacy of certain parties involved in the First Decision Appeal (“Parties Rulings”). In the Parties Rulings, the Court of Second Instance of Macau has determined that each of (1) the Purchaser who has joined Moon Ocean as a co-appellant of the First Decision Appeal and (2) Macau, which Moon Ocean has identified as a counter-interested party in Macau’s capacity as a shareholder of the four Original Owners which were dissolved, is not a legitimate party in the proceedings. As a result, the Court of Second Instance of Macau has (i) acquitted the appeal against the First Decision made by Chief Executive of Macau filed by the Purchaser and (ii) acquitted Macau as a counter-interested party of the First Decision Appeal.

15. Stock of Properties (continued)

The Group has been advised by the Macau Legal Advisor that the Parties Rulings is only an intermediate act of the Court of Second Instance of Macau (which was intended to address certain procedural issues, namely whether certain parties are legitimate parties in the proceedings) prior to the judgment of the substantial issues under the First Decision Appeal. Such decision is not the actual judgment of the First Decision Appeal which will take place at a later stage. The Parties Rulings do not affect the appeal lodged against the Chief Executive of Macau as a defendant under the First Decision Appeal filed by the Macau Legal Advisor on behalf of Moon Ocean. Further, the Parties Rulings will not prejudice the rights of Moon Ocean to claim damages against Macau in relation to the First Decision in separate administrative proceedings.

On 2nd December, 2013, the Purchaser filed an appeal against the Parties Rulings to the Court of Second Instance of Macau of excluding her from the First Decision Appeal. Insofar as the acquittal of the Purchaser as a co-appellant is concerned, if the appeal lodged by the Purchaser against the Parties Rulings is unsuccessful, the First Decision Appeal will proceed with Moon Ocean as the sole appellant.

On 16th January, 2014, Moon Ocean received a reply from the Court of Second Instance of Macau regarding the First Decision Appeal that it decided to hear the witnesses. The depositions have been taken place between 12th February, 2014 and 19th March, 2014.

On 29th January, 2014, the Macau Legal Advisor submitted a reply to the Court of Second Instance of Macau regarding the Chief Executive of Macau's defense filed on 24th June, 2013 regarding the appeal filed by Moon Ocean and two promissory purchasers of the La Scala project on 15th May, 2013.

On 12th May, 2014, the Company announced that Moon Ocean has decided to arrange for the revocation and cancellation of the binding letters of offer and the promissory sale and purchase agreements of the presold property units under the La Scala project. Without admission of any liability, Moon Ocean will return all sales deposit in full for the presold property unit(s) under the La Scala project to each promissory purchaser accepting such revocation and cancellation arrangement together with interest thereon.

Moon Ocean was an indirect wholly-owned subsidiary of Value Eight. After completion of the Moon Ocean Disposal on 31st October, 2014, the Moon Ocean Group (including Moon Ocean) ceased to be subsidiaries of the Group and its consolidated results, assets and liabilities were ceased to be consolidated with those of the Group. Details of the disposal were set out in Note 19.

In preparing the net liabilities of the Moon Ocean Group as at the date of disposal on 31st October, 2014 (Note 19) and the consolidated financial statements of the Group for the Year, the Directors have sought the legal opinion from the Macau Legal Advisor regarding the First Notice, the Second Notice, the Third Notice and the Fourth Notice ("Macau Legal Opinion").

In the Macau Legal Opinion, it is pointed out that the First Decision and the Second Decision are immediately valid and enforceable and the appeal to the Court of Second Instance of Macau does not suspend the validity and enforceability of the First Decision and the Second Decision. As such, Moon Ocean is no longer the registered owner of the Macau Land.

In addition, it is also shown in the real estate registration certificate (物業登記證明) issued by the Macau Real Estate Registry of the government of Macau that there is registration of a note stating Moon Ocean's land title over the Macau Land is invalid. In addition, written report on real estate registration (物業登記書面報告) issued by the Macau Real Estate Registry of the government of Macau shows that the land titles of Lots 1C, 2, 3, 4 and 5 of the Macau Land are currently under the name of Tai Lei Loi Development Company, Limited, San Hung Fat Development Company, Limited, San Hou Kong Development Company, Limited, San Vai Ip Development Company, Limited and Lei Tin Development Company, Limited respectively, which are Macau companies among the Original Owners. Other than Tai Lei Loi Development Company, Limited, all other Original Owners have already been dissolved.

Regarding the probability of winning the First Decision Appeal and the Second Decision Appeal ("Appeals"), the Macau Legal Opinion states that there are strong legal arguments to win the Appeals and for Moon Ocean to get back the Macau Land. However, it is further stated in the Macau Legal Opinion that in view of the past judicial case outcome (which is, somehow, similar to Moon Ocean's case) there is a plausible risk that Moon Ocean might not get the legal title of the Macau Land back.

15. Stock of Properties (continued)

The cost incurred in the Macau Land have been classified mainly into three types: (1) cost of acquisition of the land concession amounted to approximately HK\$1,329,023,000 paid to the Original Owners (“Land Costs”); (2) premium paid to Macau in relation to the 2011 Revision amounted to approximately HK\$624,073,000 (“Premium”); and (3) other cost, incurred in the construction project of the Macau Land up to 31st October, 2014 attributable to the Group, amounted to approximately HK\$562,481,000 (31st December, 2013: HK\$558,593,000) (“Construction Costs”).

It is stated in the Macau Legal Opinion and also set out in the Third Notice that pursuant to the provision of article 282 paragraph 1 of the civil code (民法典) of the laws of Macau, the declaration of nullity of an act shall have retrospective effect and the interested parties shall return the objects exchanged in such act. As such, Moon Ocean shall be obliged to return the Macau Land and vice versa, the Original Owners and Macau shall return the Land Costs and the Premium to Moon Ocean respectively.

Based on the Macau Legal Opinion, the First Notice, the Second Notice, the Third Notice, the First Decision Appeal and all available information, the Land Costs, the Premium and the Construction Costs of approximately HK\$542,357,000 which incurred up to 31st December, 2012 were reclassified to “Debtors, Deposits and Prepayments” (Note 16) in the consolidated statement of financial position of the Group as at 31st December, 2012.

Further based on the Macau Legal Opinion, the Fourth Notice, the Second Decision Appeal and all available information, the Construction Costs incurred during the ten months ended 31st October, 2014 attributable to the Group in respect of work certified for the site formation and slope stabilisation for the Macau Land amounted to approximately HK\$3,888,000 (year ended 31st December, 2013: HK\$16,236,000) were classified as “Stock of Properties” and such amounts were reclassified from “Stock of Properties” to “Debtors, Deposits and Prepayments” (Note 16) in the consolidated statement of financial position of the Group.

16. Debtors, Deposits and Prepayments

Trade receivables:

Included in debtors, deposits and prepayments are trade receivables of approximately HK\$111,485,000 (2013: HK\$222,610,000) comprised rental receivables billed in advance and settlements from tenants which are expected upon receipts of billings, properties sales proceeds receivables and receivable from hotel operation.

The following is the aged analysis of trade receivables (net of allowance for doubtful debts), presented based on the respective revenue recognition dates, at the end of the reporting period:

	2014	2013
	HK\$'000	HK\$'000
0 - 30 days	17,619	34,892
31 - 60 days	85,866	94,416
61 - 90 days	299	18,396
Over 90 days	7,701	74,906
	111,485	222,610

The carrying amounts of Debtors, Deposit and Prepayments during the period from 1st January, 2014 to 30th October, 2014 and year ended 31st December, 2013 included various costs incurred in the Macau Land and their reclassification. Such costs were deconsolidated on 31st October, 2014 and did not form part of Debtors, Deposits and Prepayments as at 31st December, 2014.

16. Debtors, Deposits and Prepayments (continued)

During the ten months ended 31st October, 2014, the Construction Costs of approximately HK\$3,888,000 (year ended 31st December, 2013: HK\$16,236,000) was reclassified from “Stock of Properties” to “Debtors, Deposits and Prepayments” and such amount was recognised as “Costs of Development Recognised in respect of Property Project in Macau”. Furthermore, during the ten months ended 31st October, 2014, the Macau Project Costs (as defined hereinafter) of approximately HK\$2,615,000 (year ended 31st December, 2013: HK\$5,799,000) for maintaining the sales office and the show flat attributable to the Group was incurred and classified as “Debtors, Deposits and Prepayments” and such amount was recognised as “Costs of Development Recognised in respect of Property Project in Macau”.

After completion of the Moon Ocean Disposal on 31st October, 2014, the Moon Ocean Group (including Moon Ocean) ceased to be subsidiaries of the Group and its consolidated results, assets and liabilities were ceased to be consolidated with those of the Group. Details of the disposal were set out in Note 19.

As at the date of the Moon Ocean Disposal on 31st October, 2014 (Note 19), included in other receivables, deposits and prepayments were (i) the Construction Costs reclassified from the stock of properties of which details were set out in Note 15 and (ii) the deposits and prepayments related to the costs incurred which were mainly for the presale of the residential units in the property project of the Macau Land of approximately HK\$160,794,000 (31st December, 2013: HK\$158,179,000) (excluding inter-company transactions of approximately HK\$8,666,000 (31st December, 2013: HK\$8,166,000) in respect of rental charges and building management fee of office premises and advertising space charged to Moon Ocean by its former fellow subsidiaries) (“Macau Project Costs”). As set out in the Macau Legal Opinion, depending on the evidence to be produced in Macau court in connection therewith, it is probable for Moon Ocean to claim back the Construction Costs and the Macau Project Costs from the government of Macau. However, due to the nature that there is no contractual right or obligation for the government of Macau to return Moon Ocean the Construction Costs and the Macau Project Costs, they were recognised as “Costs of Development Recognised in respect of Property Project in Macau” of approximately HK\$6,503,000 (2013: HK\$22,035,000) in the consolidated statement of comprehensive income during the Year.

In preparing the net liabilities of the Moon Ocean Group as at the date of disposal on 31st October, 2014 (Note 19), the Directors are of the opinion that Moon Ocean shall pursue to claim the government of Macau the Construction Costs and the Macau Project Costs through legal processes should the outcome of the Appeals be unfavourable to Moon Ocean. Based on the Macau Legal Opinion, the Directors are of the opinion that it is probable for Moon Ocean to claim back the Construction Costs and the Macau Project Costs.

As detailed in Note 15, included in other receivables were the Land Costs and the Premium which were reclassified from the stock of properties.

In preparing the net liabilities of the Moon Ocean Group as at the date of disposal on 31st October, 2014 (Note 19), the Directors are in the opinion that based on the Third Notice and the Macau Legal Opinion, by mere operation of the laws of Macau, the Original Owners and Macau shall be obliged to return the Land Costs and the Premium to Moon Ocean respectively should the outcome of the Appeals be unfavourable to Moon Ocean.

Up to the date of the completion of the Moon Ocean Disposal on 31st October, 2014, only one Macau company, Tai Lei Loi Development Company, Limited exists and the other four Macau companies among the Original Owners were dissolved (“Dissolved Original Owners”). As stated in the Macau Legal Opinion, the shareholders of the Dissolved Original Owners shall have the obligation to return the Land Costs to Moon Ocean under the laws of Macau. It is further pointed out in the Macau Legal Opinion that, the shareholders of the Dissolved Original Owners are (1) Macau, holder of a quota equivalent to 88% of the share capital of each of the Dissolved Original Owners; (2) Macau Tourism And Amusement Company Limited, holder of a quota equivalent to 5% of the share capital of each of the Dissolved Original Owners; (3) Macau International Airport Company Limited, holder of a quota equivalent to 5% of the share capital of each of the Dissolved Original Owners; and (4) Tai Fok Wah Investment Limited, holder of a quota equivalent to 2% of the share capital of each of the Dissolved Original Owners.

Up to the date of the completion of the Moon Ocean Disposal on 31st October, 2014, the Appeals are still in progress and save as disclosed above, there is no notice from the Court of Second Instance of Macau regarding the timing for legal procedures to be conducted.

16. Debtors, Deposits and Prepayments (continued)

After completion of the Moon Ocean Disposal on 31st October, 2014, included in other receivables of the Land Costs and the Premium were ceased to be consolidated with the consolidated financial statements of the Group.

17. Creditors and Accruals

Included in creditors and accruals are trade payables of approximately HK\$416,771,000 (2013: HK\$606,055,000).

The following is the aged analysis of trade payables at the end of the reporting period:

	2014 HK\$'000	2013 HK\$'000
0 - 90 days	27,961	129,729
Over 90 days	388,810	476,326
	<u>416,771</u>	<u>606,055</u>

18. Assets Classified as Held For Sale/Liabilities Directly Associated with Assets Classified as Held For Sale

(a) Disposals of Brass Ring Limited (“Brass Ring”), Union Leader Limited (“Union Leader”) and Chinese Estates and Finance, Limited (now known as Silvercord Finance Limited) (“CE Finance”) and their respective subsidiaries (collectively “Silvercord Group”) on 13th January, 2015 (“Silvercord Disposal”)

During the Year, (i) Super Series Limited (“Super Series”), an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Super Series; (iii) Fly High Target Limited (“Fly High Target”), a company wholly-owned by Mr. Joseph Lau, Luen-hung (“Mr. Lau”), a substantial shareholder and a controlling shareholder of the Company; and (iv) Mr. Lau, being the guarantor of Fly High Target, entered into sale and purchase agreements, namely “Silvercord First SP Agreement” and “Silvercord Second SP Agreement”, pursuant to which Super Series agreed to sell and Fly High Target agreed to purchase the entire issued share capital of Brass Ring and Union Leader respectively, both are indirect wholly-owned subsidiaries of the Company.

During the Year, (i) Chinese Estates, Limited (“CEL”), a direct wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of CEL; (iii) Coast Field Ltd. (“Coast Field”), a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of Coast Field, entered into a sale and purchase agreement, namely “Silvercord Third SP Agreement”, pursuant to which CEL agreed to sell and Coast Field agreed to purchase the entire issued share capital of CE Finance, an indirect wholly-owned subsidiary of the Company.

The Silvercord Disposal was completed on 13th January, 2015 at a total consideration of approximately HK\$7,656,149,000. As a result, the assets and liabilities of the Silvercord Group have been presented as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively as at 31st December, 2014 in accordance with HKFRS 5. Investment properties included in assets classified as held for sale were remeasured at fair value in the consolidated statement of financial position as at 31st December, 2014 and an unrealised fair value gain of HK\$93,200,000 was recognised in the consolidated statement of comprehensive income for the Year.

Upon completion of the Silvercord Disposal, the Group recorded a loss on disposal of subsidiaries of approximately HK\$97,235,000. The loss was mainly derived from the increase in fair value of the investment properties of HK\$93,200,000 due to revaluation of the investment properties as at 31st December, 2014 (which is carried out in accordance with the Group’s accounting policies on revaluation of the Group’s investment properties as at reporting date) as compared with the property valuation under the sale and purchase agreements of the Silvercord Disposal dated 1st September, 2014.

Details of the Silvercord Disposal were set out in the announcement and circular of the Company dated 2nd September, 2014 and 23rd September, 2014 respectively.

18. Assets Classified as Held For Sale/Liabilities Directly Associated with Assets Classified as Held For Sale
(continued)

(b) Disposals of certain shops or units of an investment property in Hong Kong (“Properties”)

During the year ended 31st December, 2013, an indirect wholly-owned subsidiary of the Company (“Vendor”) has entered into a series of preliminary sale and purchase agreements (“Preliminary Agreements”) with independent third parties and three companies wholly-owned by a close family member of the then Director (who resigned from his office of Director on 14th March, 2014) and a controlling shareholder of the Company (collectively “Properties Purchasers”). Pursuant to the Preliminary Agreements, the Vendor would sell the Properties to the Properties Purchasers upon the terms and conditions contained therein. Sales of the remaining Properties were completed during the Year.

At the end of the reporting period, the major classes of assets and liabilities classified as assets held for sale and liabilities directly associated with assets classified as held for sale correspondingly are as follows:

	2014	2013
	HK\$’000	HK\$’000
Assets classified as held for sale		
Investment properties	9,388,280	64,733
Other fixed assets	2	-
Debtors, deposits and prepayments	30,098	-
Tax recoverable	2	-
Bank balances and cash	23,680	-
	9,442,062	64,733
Liabilities directly associated with assets classified as held for sale		
Creditors and accruals	4,661	-
Deposits and receipts in advance	187,950	-
Tax liabilities	28,000	-
Borrowings – due within one year	1,500,000	-
Deferred tax liabilities	39,326	-
	1,759,937	-

19. Disposal of Subsidiaries

Disposal of the Moon Ocean Group to a connected person on 31st October, 2014

On 1st September, 2014, (i) Data Dynasty Limited (“Data Dynasty”), an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Data Dynasty; (iii) One Midland Limited (“One Midland”), a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of One Midland, entered into a sale and purchase agreement, namely “Moon Ocean SP Agreement”, pursuant to which Data Dynasty agreed to sell and One Midland agreed to purchase the entire issued share capital of Value Eight. The Moon Ocean Disposal was completed on 31st October, 2014 at a consideration of approximately HK\$4,876,162,000 (after adjustment). Upon completion, the Moon Ocean Group ceased to be subsidiaries of the Group and its consolidated results, assets and liabilities were ceased to be consolidated with those of the Group.

Details of the Moon Ocean Disposal were disclosed in the announcement and circular of the Company dated 2nd September, 2014 and 23rd September, 2014 respectively.

	2014 HK\$'000
The net liabilities of the Moon Ocean Group as at the date of disposal were as follows:	
Other fixed assets	265
Debtors, deposits and prepayments	1,972,919
Bank balances and cash	1,234
Creditors and accruals	(3,594)
Deposits received	(15,986)
Amount due to the Group	(4,358,618)
Net liabilities disposed of	(2,403,780)
Sale of amount due to the Group	4,358,618
Gain on disposal of subsidiaries	2,917,579
	<u>4,872,417</u>
Satisfied by:	
Cash consideration	4,876,162
Expenses incurred for disposal	(3,745)
	<u>4,872,417</u>
Net cash inflow arising on disposal:	
Cash consideration	4,876,162
Settled by special interim dividend (<i>note</i>)	(3,411,137)
Net cash consideration received	1,465,025
Expenses incurred for disposal	(3,745)
Bank balances and cash disposed of	(1,234)
	<u>1,460,046</u>

The gain on the Moon Ocean Disposal was included in “Other Gains and Losses, Net” (Note 10) in the consolidated statement of comprehensive income.

Note: One Midland has elected to settle the consideration by procuring Mr. Lau’s entitlement on the special interim dividend for 2014 (Note 13 (c)) in an amount of approximately HK\$3,411,137,000.

20. Capital Commitments

	2014 HK\$'000	2013 HK\$'000
Authorised and contracted for:		
Development expenditure of properties in Hong Kong	282,471	321,947
Development expenditure of properties in Mainland China	1,118,186	3,868,293
Development expenditure of properties in Macau (<i>note (i)</i>)	-	2,795,440
Renovation of properties	-	1,460
Investee company's contribution	343,200	-
Capital investment in a limited partnership (<i>note (ii)</i>)	314,215	380,592
Purchase of other fixed assets	2,005	7,106
	<u>2,060,077</u>	<u>7,374,838</u>

The Group's associate had capital commitments which were authorised and contracted for at the end of the reporting period of approximately HK\$877,856,000 (2013: HK\$830,431,000), of which the Group's share of commitments amounted to approximately HK\$219,464,000 (2013: HK\$207,608,000).

Notes:

- (i) *The Moon Ocean Disposal was completed on 31st October, 2014. Upon completion, the Moon Ocean Group ceased to be subsidiaries of the Group.*
- (ii) *On 23rd July, 2014, the Group entered into a withdrawal agreement in an exempted limited partnership registered under the Exempted Limited Partnership Law (Revised) of the Cayman Islands ("Cayman Partnership") for capital commitment in contribution of United States Dollar ("US\$") 50,000,000 (equivalent to approximately HK\$387,550,000) and ceased to be a limited partner of the Cayman Partnership. On the same date, the Group entered into a subscription agreement for commitment in contribution of Renminbi ("RMB") 300,000,000 (equivalent to approximately HK\$374,370,000) in a limited partnership registered under the Partnership Enterprise Law of the PRC ("PRC Partnership"). The PRC Partnership with a term of ten years was set up mainly for the purpose of long term capital investment. Subsequent to the end of the reporting period, the Group contributed approximately RMB251,795,000 (equivalent to approximately HK\$314,215,000), representing the remaining balance of capital commitment to the PRC Partnership.*

21. Contingent Liabilities and Assets

	2014 HK\$'000	2013 HK\$'000
Guarantees given to banks in respect of banking facilities utilised by associates	829,592	861,600
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	15,000	15,000
Repurchase guarantees given to banks in respect of mortgages facilities given to property purchasers by subsidiaries	19,672	164,113
	<u>864,264</u>	<u>1,040,713</u>

(a) Buy Option and Sale Option on shares of Grandday

On 5th September, 2012, the Company and Loyal Pride Limited ("Vendor of Grandday"), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the disposal of 49 shares of Grandday ("Sale Shares"), representing 49% of the entire issued share capital of Grandday, with Dynamic Grand Limited ("Purchaser of Grandday") at a total consideration of US\$500,000,000 ("Grandday Disposal") ("Agreement"), which was satisfied by way of cash of US\$200,000,000 and loan note issued by the Purchaser of Grandday in the principal amount of US\$300,000,000 ("Loan Note"). The Grandday Disposal was completed on 7th September, 2012 and the Loan Note was fully redeemed on 6th March, 2013 with share charge over the Sale Shares released on the same date.

Save as disclosed above, pursuant to the Agreement, in case of certain events (as defined in the Agreement) occurred, the Vendor of Grandday shall have an option to purchase all but not some of the Sale Shares from the Purchaser of Grandday ("Buy Option") and the Purchaser of Grandday shall have an option to sell all but not some of the Sale Shares to the Vendor of Grandday ("Sale Option").

21. Contingent Liabilities and Assets (continued)

(a) Buy Option and Sale Option on shares of Grandday (continued)

For as long as any of the indentures security as defined in the Agreement (“Indentures Security”) remains outstanding, if, on or before 20th January, 2016, an event of default as defined in the Agreement occurs and such event of default agreed in the Agreement has not been waived, remedied or cured or is otherwise continuing as at 20th January, 2016; or if a demand is made on Grandday and/or Lucky Grow Holdings Limited, a wholly-owned subsidiary of Grandday, under any of the Indentures Security and/or any enforcement action is taken under any of the Indentures Security, the Purchaser of Grandday shall sell and the Vendor of Grandday shall purchase all but not some of the Sale Shares (“Automatic Sale”).

Details of the Grandday Disposal including the Buy Option, the Sale Option, the Indentures Security, the Automatic Sale and the redemption of the Loan Note were set out in the announcements of the Company dated 5th September, 2012 and 6th March, 2013 respectively.

(b) Post-completion development upside sharing or compensation upside sharing on the Moon Ocean case

Subject to completion of the Moon Ocean Disposal having occurred, (a) if judgments are made in favour of Moon Ocean in the Appeals and have become final and the title to the Macau Land is vested on Moon Ocean again, One Midland shall pay to Data Dynasty the development upside sharing pursuant to the Moon Ocean SP Agreement; or (b) if judgments are made against Moon Ocean in the Appeals and have become final, One Midland shall pay to Data Dynasty the compensation upside sharing pursuant to the Moon Ocean SP Agreement.

The arrangement of the development upside sharing or the compensation upside sharing (as the case may be) allows the Group to share the possible upside or compensation in relation to the Macau Land and the La Scala project post completion of the Moon Ocean SP Agreement.

The aggregate amount of all the development upside sharing or the compensation upside sharing (as the case may be) payable by One Midland to Data Dynasty shall be subject to a maximum amount of HK\$12,500 million.

The Directors consider the aggregate amount of all the development upside sharing or the compensation upside sharing (as the case may be) payable by One Midland to Data Dynasty and the maximum amount of HK\$12,500 million for the development upside sharing or the compensation upside sharing (as the case may be) are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Details of the development upside sharing and the compensation upside sharing were set out in the announcement and circular of the Company dated 2nd September, 2014 and 23rd September, 2014 respectively.

22. Event after the Reporting Period

Save as disclosed elsewhere, the Group had the following transaction after the end of the reporting period:

Disposal of Asian East Limited (“Asian East”), an indirect wholly-owned subsidiary of the Company, and its subsidiaries (“One Group”) (“One Disposal”)

On 12th December, 2014, (i) Rich Lucky Limited (“Rich Lucky”), an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Rich Lucky; (iii) Market Victory Limited (“Market Victory”), a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of Market Victory, entered into a sale and purchase agreement pursuant to which Rich Lucky agreed to sell and Market Victory agreed to purchase the entire issued share capital of Asian East at a total consideration equal to the aggregate of (a) the consolidated net asset value or liability of the One Group at the date of completion; and (b) the aggregate face amount of all sums due or owing by the One Group to members of the Group (other than the One Group) less the aggregate face amount of all sums due and owing to any company of the One Group by any member of the Group (excluding the One Group) as at the date of completion. Details of the One Disposal were set out in the announcement and circular of the Company dated 12th December, 2014 and 7th January, 2015 respectively.

On 23rd January, 2015, the One Disposal transaction was duly passed by the independent shareholders of the Company at the special general meeting. The One Disposal has not yet completed up to the date of this announcement.

DIVIDENDS

The Board had declared and paid an interim dividend of HK30 cents per share (payment date: 24th September, 2014) (2013: HK20 cents per share) and a special interim dividend of HK\$2.55 per share (payment date: 31st October, 2014) (2013: HK\$1.3 per share); and declared a special interim dividend of HK\$4 per share (payment date: 13th January, 2015). The Board has recommended the payment of a final dividend of HK1 cent per share for the Year (the “Final Dividend”) (2013: HK50 cents per share).

Subject to shareholders’ approval at the forthcoming annual general meeting of the Company to be held on 19th May, 2015 (the “2015 AGM”), dividend warrants will be posted on or about 5th June, 2015 to shareholders whose names appear on the register of members of the Company on 27th May, 2015.

As stated in the Company’s circular dated 7th January, 2015, the Board may declare and pay one or more special interim dividend(s) in anticipation of the completion of the major and connected transaction regarding disposal of a subsidiary that ultimately held the property known as The ONE (which is scheduled to be on or before 31st December, 2015), subject to the then financial and cashflow position of the Group.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members’ eligibility to attend and vote at the 2015 AGM, and entitlement to the recommended Final Dividend, the register of members will be closed during the following periods respectively:

- | | |
|---|---|
| (a) For ascertaining eligibility to attend and vote at the 2015 AGM: | |
| Latest time to lodge transfers documents for registration | 4:30 p.m. on 13th May, 2015 |
| Closure of register of members | 14th May, 2015 to 19th May, 2015
(both days inclusive) |
| (b) For ascertaining entitlement to the recommended Final Dividend: | |
| Latest time to lodge transfers documents for registration | 4:30 p.m. on 22nd May, 2015 |
| Closure of register of members | 26th May, 2015 to 27th May, 2015
(both days inclusive) |
| Record date | 27th May, 2015 |

To be eligible to attend and vote at the 2015 AGM, and to qualify for the recommended Final Dividend, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Registrar and Transfer Office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than the respective latest time as stated above.

FINANCIAL OPERATION REVIEW

Results

Continuing Operations

Revenue

Revenue for the Year amounted to HK\$2,627.3 million (2013: HK\$6,452.7 million), a 59.3% decrease over last year and comprised gross rental income of HK\$1,939.4 million (2013: HK\$1,791.3 million), property sales of HK\$617.1 million (2013: HK\$4,651.6 million), profit on sales of investments held-for-trading on a net basis of HK\$29.1 million (2013: loss of HK\$44.4 million) and others of HK\$41.7 million (2013: HK\$54.2 million). The decrease in revenue was mainly due to the decrease in sales of development properties.

Gross Profit

Gross profit for the Year amounted to HK\$2,204.6 million (2013: HK\$2,760.7 million), a 20.1% decrease as compared with last year which was mainly due to the decrease in profit from property sales of HK\$706.0 million.

Property Leasing

For property leasing, the rental revenue in retail section jumped by 8.6% to HK\$1,279.5 million and rental revenue in non-retail section jumped by 7.5% to HK\$659.9 million during the Year. The total rental income in revenue for the Year recorded an increase of 8.3% to HK\$1,939.4 million as compared with last year of HK\$1,791.3 million.

Together with the attributable rental revenue generated from associates and an investee of HK\$221.2 million (2013: HK\$212.5 million), the total attributable rental revenue to the Group after non-controlling interests reached approximately HK\$2,159.0 million (2013: HK\$2,002.8 million), which achieved an 7.8% increase over last year.

Attributable net rental income for the Year showed HK\$2,011.0 million, an 7.7% increase over HK\$1,867.7 million in 2013.

Property Development and Trading

During the Year, the attributable property sales revenue and the relevant attributable profit from the Group, its associates and an investee recorded a decrease of 52.1% to HK\$2,056.6 million (2013: HK\$4,291.4 million) and a decrease of 22.4% to HK\$715.0 million (2013: HK\$921.3 million) respectively.

In the year of 2013, the Group's development projects, mainly One WanChai in Wanchai (87.5% interest) (which was completed in early 2013) and Phase II of Splendid City in Chengdu (100% interest) (which was completed in December 2012), contributed substantial revenue and attributable profit to the Group. Whereas, there was no development project completed in the year of 2014 and hence recorded a decrease in revenue and attributable profit for the Year.

The major components recorded in gross profit are sales of: Phase I, Phase II and parking spaces of Splendid City generated profit of HK\$6.3 million (2013: an underprovision of construction costs for previously sold units of HK\$168.7 million), HK\$41.5 million (2013: HK\$286.3 million) and HK\$124.8 million (2013: nil) respectively and Tower 1 of The Metropolis in Chengdu (100% interest) generated profit of HK\$64.1 million (2013: loss of HK\$16.8 million (after accounted for an underprovision of construction costs for previously sold units of HK\$39.7 million)).

Sales of One WanChai and parking spaces at The Zenith in Wanchai (87.5% interest) recognised during the Year had contributed an attributable profit to the Group of HK\$78.8 million (2013: HK\$810.3 million) and HK\$5.9 million (2013: HK\$7.3 million) respectively.

In respect of properties held by associates, Kwong Kin Trade Centre in Tuen Mun (40% interest) and Greenville Residence in Yuen Long (50% interest) generated profit of HK\$3.6 million (2013: HK\$2.7 million) and HK\$0.1 million (2013: HK\$0.2 million) respectively as reflected in the share of results of associates. Sale of The Coronation in West Kowloon (15% interest) had contributed HK\$389.9 million (2013: nil) to investment income upon recognition of dividend income during the Year.

During the Year, the forfeited deposits received for Phase II of Splendid City and Tower 1 of The Metropolis totaling HK\$0.3 million (2013: HK\$0.3 million) was recorded in other income.

As at 31st December, 2014, deposits received from presale of 88 units of One South Lane in Kennedy Town (100% interest) with contracted sale of HK\$469.2 million amounted to HK\$417.5 million. The presale recorded for The Coronation in Chongqing (25% interest) was 535 units and the attributable interest of sales to the Group was HK\$184.9 million.

In summary, the Group together with associates and an investee executed properties sale agreements, including presale agreements to third parties and connected persons (as disclosed in the section headed "Disposals of Subsidiaries and Assets to Connected Persons") with an attributable contracted sales of HK\$1,159.3 million (2013: HK\$2,145.7 million) during the Year. Total attributable property sale profit recognised for the Year was HK\$715.0 million (2013: HK\$921.3 million).

Securities Investments

Under the low interest rate environment, the Group has closely managed the securities investments with a view to yield enhancement. During the Year, the Group recorded a realised gain of HK\$29.1 million (2013: realised loss of HK\$44.4 million) on disposal of listed investments held-for-trading (the gains/losses of which was included in revenue) with gross proceeds of HK\$466.9 million (2013: HK\$2,457.1 million). However, a realised loss from sale

of bonds of HK\$140.3 million (2013: realised gain of HK\$151.7 million) and a realised gain from sale of preference shares of HK\$1.2 million (2013: nil) were recognised. The net realised loss for the Year was HK\$110.0 million (2013: net realised gain of HK\$107.3 million).

Furthermore, the Group recorded an unrealised loss of HK\$402.5 million (2013: HK\$85.5 million) representing the changes in fair value of listed securities and bonds, which had no effect to the cash flow of the Group.

During both years, there was no acquisition and disposal on listed equity securities included in available-for-sale investments.

Summing up the above and adding the net income from dividend, interest income, other investment income and other finance income of HK\$748.7 million (2013: net income from dividend, interest income, other investment income and other finance costs of HK\$834.2 million), the gain recognised on securities investments was HK\$236.2 million (2013: HK\$856.0 million).

The respective income/expense from securities investments under different categories are further elaborated below.

Listed Available-for-sale Equity Investments

The Group had not acquired and disposed any listed available-for-sale equity investments for the years of 2014 and 2013.

Listed Investments Held-for-trading and Treasury Products

The listed investments held-for-trading and treasury products recorded a profit before and after finance income of HK\$225.5 million and HK\$236.2 million respectively for the Year (2013: profit before and after finance costs of HK\$912.6 million and HK\$856.0 million respectively).

Profit from the listed investments held-for-trading reflected in the consolidated statement of comprehensive income for the Year comprised a gross profit totaling HK\$29.1 million (2013: gross loss of HK\$44.4 million), an unrealised loss on fair value changes of HK\$402.5 million (2013: HK\$85.5 million), a realised loss on bonds of HK\$140.3 million (2013: realised gain of HK\$151.7 million), a realised gain of preference shares of HK\$1.2 million (2013: nil) and dividend, interest income and other investment income of HK\$738.0 million (2013: HK\$890.8 million). Net relevant finance income for the Year was HK\$10.7 million (2013: net relevant finance cost of HK\$56.6 million) including interest expense of HK\$22.1 million (2013: HK\$42.1 million) and exchange gain of HK\$32.8 million (2013: exchange loss of HK\$14.5 million).

Other Income and Expenses

Other income for the Year, which mainly came from net building management fee income, assets management and maintenance services income, property management services, leasing administration services and property administration services income and rental services income, increased to HK\$95.2 million (2013: net building management fee income, management and maintenance services income and loan note interest income of HK\$79.2 million), representing an increase of 20.2% as compared with last year.

During the Year, administrative expenses decreased by 3.7% to HK\$296.3 million (2013: HK\$307.8 million), costs of development recognised in respect of property project in Macau of HK\$6.5 million (2013: HK\$22.0 million) and finance costs decreased by 12.9% to HK\$395.0 million (2013: HK\$453.6 million), including exchange gain of HK\$32.8 million (2013: exchange loss of HK\$14.5 million) on foreign currency loans hedged for foreign currency securities investments. Other expenses of HK\$122.1 million (2013: HK\$2.5 million) for the Year mainly consisted of interest on sales deposits repaid to promissory purchasers of presold property units under the La Scala project and pre-operating expenses incurred by the hotel in Chengdu.

Other gains and losses recorded a net gain of HK\$2,912.4 million mainly comprised gain on Moon Ocean Disposal of HK\$2,917.6 million (2013: HK\$202.8 million mainly derived from gain on Chi Cheung Disposal of HK\$198.5 million).

Disposals of Subsidiaries and Assets to Connected Persons

On 1st September, 2014, (i) Data Dynasty, an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Data Dynasty; (iii) One Midland, a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of One Midland, entered into a sale and purchase agreement pursuant to which Data Dynasty

agreed to sell and One Midland agreed to purchase the entire issued share capital of Value Eight. The Moon Ocean Disposal was completed on 31st October, 2014 at a consideration of approximately HK\$4,876.2 million. Since then, the Moon Ocean Group ceased to be subsidiaries of the Group and its consolidated results, assets and liabilities were ceased to be consolidated with those of the Group. Upon completion of the Moon Ocean Disposal, gain on disposal of subsidiaries of HK\$2,917.6 million was recognised in the consolidated statement of comprehensive income. Details of the Moon Ocean Disposal were set out in the announcement and circular of the Company dated 2nd September, 2014 and 23rd September, 2014 respectively.

As set out in the Company's announcement dated 19th February, 2014, close family members of a Director entered into a preliminary sale and purchase agreement for acquisition of a residential unit, a car parking space and a motorcycle parking space of One WanChai, the Group's stock of property held for sale, at a consideration of approximately HK\$51.2 million. The transaction was completed on 14th April, 2014.

During the year ended 31st December, 2013, an indirect wholly-owned subsidiary of the Company has entered into preliminary sale and purchase agreements with three companies wholly-owned by a close family member of the then Director and a controlling shareholder of the Company, in respect of the sale of three shops of Causeway Place with an aggregate consideration of approximately HK\$39.1 million (after discount). The transactions were completed on 7th October, 2014.

Associates

The share of results of associates for the Year was a profit of HK\$187.3 million as compared to HK\$350.9 million for last year, the decrease of which was mainly due to the decrease in attributable profit from sale of One WanChai (12.5% interest) indirectly held by an associate from HK\$113.3 million for last year to HK\$11.1 million for the Year.

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31st December, 2014, by B.I. Appraisals Limited ("B.I. Appraisals") and Vigers Appraisal and Consulting Limited ("Vigers Appraisal") whereas the investment property in the United Kingdom was revalued by Peak Vision Appraisals Limited ("Peak Vision Appraisals"). B.I. Appraisals, Vigers Appraisal and Peak Vision Appraisals are independent property valuers. An increase in fair value on investment properties of HK\$3,777.1 million (2013: HK\$3,402.9 million) was recorded during the Year. Except for a loss of HK\$0.3 million (2013: gain of HK\$491.4 million) realised upon sale of certain investment properties during the Year, the unrealised fair value gain will not affect the cash flow of the Group.

Discontinued Operation

The operating segment of "floating rate and fixed rate notes" on available-for-sale investments was discontinued since year 2012 as a result of the Chi Cheung Disposal and the G-Prop Disposal. Details of the discontinued operation are set out in Note 12 to these consolidated financial statements.

Profit, Core Profit, Dividends, Repurchase and Cash Payment Ratio

Continuing and Discontinued Operations

Profit

Profit attributable to owners of the Company for the Year was HK\$8,744.9 million as compared to HK\$6,317.7 million for last year. The increase in profit for the Year was mainly contributed from gain on disposal of Moon Ocean Group of HK\$2,917.6 million. Earnings per share for the Year was HK\$4.58 (2013: HK\$3.31).

Core Profit

The Group has disposed of certain investment properties during the Year, the costs of which are stated at fair value. Before disposal, such gain/loss on fair value change is unrealised and recognised at the end of each reporting period, but exclude from core profit as non-cash items. In the year of disposal, such unrealised gain/loss has become realised; and in computing core profit, accumulated fair value gain/loss from prior years and current year are included as cash items.

If the net gain on the major non-cash items of HK\$3,877.4 million (2013: HK\$2,917.6 million) are excluded, but the realised fair value loss on disposal of investment properties in current year recognised for the Year of HK\$0.3 million (2013: realised fair value gain of HK\$491.4 million) is retained and the accumulated realised fair value gain on disposals of investment properties recognised in prior years of HK\$55.0 million (2013: HK\$356.7 million) is included, the Group will have a core profit attributable to owners of the Company for the Year of HK\$4,922.5 million (2013: HK\$3,756.8 million) and a core earnings per share of HK258.0 cents (2013: HK196.9 cents), an increase of 31.0% over last year.

The major non-cash items represented the attributable unrealised fair value gain on investment properties together with their respective deferred tax from the Group and its associates of HK\$3,877.4 million (2013: HK\$2,917.6 million).

Dividends

Final dividend of HK50 cents (year ended 31st December, 2012: HK20 cents) per share in total amount of HK\$953.8 million for the year ended 31st December, 2013 was paid in cash on 6th June, 2014.

Interim dividend of HK30 cents (half year ended 30th June, 2013: HK20 cents) per share in total amount of HK\$572.3 million for the half year ended 30th June, 2014 was paid in cash on 24th September, 2014.

Special interim dividend of HK\$2.55 (2013: HK\$1 for the year ended 31st December, 2012 and HK\$1.3 for the half year ended 30th June, 2013) per share in total amount of HK\$4,864.4 million for the year ended 31st December, 2014 was paid in cash on 31st October, 2014.

Total dividends of HK\$6,390.5 million were paid in cash during the Year. A special interim dividend of HK\$4 per share was declared on 16th December, 2014 and subsequently paid in cash on 13th January, 2015 in total amount of HK\$7,630.5 million. The total dividends paid and declared in the Year were HK\$14,021.0 million.

Repurchase

During the Year, the Company had not repurchased any of the Company's share.

Cash Payment Ratio

Based on (a) the core profit for the Year of HK\$4,922.5 million (2013: HK\$3,756.8 million) or HK258.0 cents (2013: HK196.9 cents) per share; (b) cash final dividend for the Year of HK1 cent (2013: HK50 cents) per share proposed; and (c) cash interim dividend of HK30 cents (2013: HK20 cents) per share and cash special interim dividend of HK\$2.55 (2013: HK\$1.3) per share were paid during the Year, the ratio of such cash payment to the core profit is 110.9% (2013: 101.6%).

Net Asset Value

As at 31st December, 2014, the Group's total net asset to owners of the Company amounted to approximately HK\$41,567.4 million (2013: HK\$47,103.7 million), a decrease of HK\$5,536.3 million or 11.8% when compared with 2013. With the total number of ordinary shares in issue of 1,907,619,079 as at 31st December, 2014 (2013: 1,907,619,079 shares), the net asset value per share to owners of the Company was HK\$21.79 (2013: HK\$24.69) per share. The movement in net asset value was mainly due to (a) total comprehensive income for the Year attributable to owners of the Company of HK\$8,484.6 million; (b) payment of final, interim and special interim dividends of HK\$6,390.5 million and (c) declaration of special interim dividend of HK\$7,630.5 million.

There was no transaction on the listed equity securities investments categorised as available-for-sale investments for the Year. The carrying amounts of the listed equity securities investments reserve as at 31st December, 2014 and 2013 were nil.

Other than the Silvercord Disposal (as disclosed in paragraph "Assets Classified as Held for Sale/Liabilities Directly Associated with Assets Classified as Held for Sale" below), the commitment for an equity investment (as disclosed in paragraph "Unlisted Securities Investment" below), the One Disposal (details of the One Disposal were set out in the announcement and circular of the Company dated 12th December, 2014 and 7th January, 2015 respectively), the existing projects and those disclosed in the final results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

Securities Investments

As at 31st December, 2013, the carrying amount of the listed securities investments and treasury products was HK\$13,013.1 million. During the Year, the portfolio was decreased by a net disposal of HK\$7,481.8 million. After deducting the fair value loss of HK\$402.5 million for the Year, the listed securities investments and treasury products portfolio of the Group became HK\$5,128.8 million as at 31st December, 2014 representing 7.2% of total assets, which formed part of the Group's cash management activities.

As at 31st December, 2014, the portfolio of HK\$5,128.8 million (2013: HK\$13,013.1 million) comprised (a) listed equity securities (investments held-for-trading) of HK\$501.9 million (2013: HK\$894.8 million) and (b) bonds (financial assets designated as at fair value through profit or loss) of HK\$4,626.9 million (2013: HK\$12,118.3 million).

Unlisted Securities Investment

As at 31st December, 2013, the Group had invested approximately US\$917,000 in an exempted limited partnership registered under the Exempted Limited Partnership Law (Revised) of the Cayman Islands for capital commitment in contribution of US\$50.0 million (equivalent to approximately HK\$387.6 million). During the Year, the Group entered into a withdrawal agreement in the Cayman Partnership and ceased to be a limited partner of the Cayman Partnership. On the same date, the Group entered into a subscription agreement for commitment in contribution of RMB300 million (equivalent to approximately HK\$374.4 million) in a limited partnership registered under the Partnership Enterprise Law of the PRC. The PRC Partnership with a term of ten years was set up mainly for the purpose of long term capital investment. As at 31st December, 2014, the Group has contributed RMB48.2 million (equivalent to approximately HK\$60.2 million) to the PRC Partnership which was included in available-for-sale investments.

During the Year, the Group has invested US\$10.0 million (equivalent to approximately HK\$77.6 million) in a private investment fund, the fund and its management company are exempted companies with limited liability incorporated in the Cayman Islands. The investment was also included in available-for-sale investments.

Assets Classified as Held for Sale/ Liabilities Directly Associated with Assets Classified as Held for Sale

On 1st September, 2014, (i) Super Series, an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Super Series; (iii) Fly High Target, a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of Fly High Target, entered into sale and purchase agreements, namely "Silvercord First SP Agreement" and "Silvercord Second SP Agreement", pursuant to which Super Series agreed to sell and Fly High Target agreed to purchase the entire issued share capital of Brass Ring and Union Leader respectively, both are indirect wholly-owned subsidiaries of the Company.

On the same day, (i) CEL, a direct wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of CEL; (iii) Coast Field, a company wholly-owned by Mr. Lau; and (iv) Mr. Lau, being the guarantor of Coast Field, entered into a sale and purchase agreement, namely "Silvercord Third SP Agreement", pursuant to which CEL agreed to sell and Coast Field agreed to purchase the entire issued share capital of CE Finance, an indirect wholly-owned subsidiary of the Company.

The aforementioned disposals were completed on 13th January, 2015 at a total consideration of approximately HK\$7,656.1 million. As a result, the assets and liabilities of the Silvercord Group have been presented as assets classified as held for sale and liabilities directly associated with assets classified as held for sale respectively as at 31st December, 2014 in accordance with HKFRS 5.

Details of the Silvercord Disposal were set out in the announcement and circular of the Company dated 2nd September, 2014 and 23rd September, 2014 respectively.

Risk Management

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

Equity

The number of issued ordinary shares as at 31st December, 2014 and 2013 were 1,907,619,079.

Debt and Gearing

As at 31st December, 2014, the Group's bank and other borrowings amounted to HK\$16,548.9 million (excluding bank borrowings classified as liabilities directly associated with assets classified as held for sale) (2013: HK\$23,911.0 million). Cash and deposits at banks amounted to HK\$4,719.2 million (excluding cash and deposits at banks classified as assets held for sale) (2013: HK\$3,881.3 million), pledged deposits amounted to HK\$868.7 million (2013: HK\$1,211.6 million) and net borrowings amounted to HK\$10,961.0 million (2013: HK\$18,818.1 million).

Total debt to equity ratio was 39.7% (2013: 50.7%) and net debt to equity ratio was 26.3% (2013: 39.9%), which are expressed as a percentage of total borrowings, and net borrowings, respectively, over the total equity of HK\$41,652.6 million (2013: HK\$47,189.8 million). The decrease in the total debt to equity ratio and the net debt to equity ratio were mainly due to the decrease in borrowings.

However, if the listed securities investments and treasury products of HK\$5,128.8 million (2013: HK\$13,013.1 million) are included, the net debt to equity ratio will be 14.0% (2013: 12.3%).

As at 31st December, 2014, the Group's bank and other borrowings were denominated in HK\$ (69.4%), US\$ (0.1%), Pound Sterling ("GBP") (19.2%) and RMB (11.3%). Of the Group's bank and other borrowings of HK\$16,548.9 million (excluding bank borrowings classified as liabilities directly associated with assets classified as held for sale), 40.5%, 48.2% and 11.3% were repayable within 1 year, 1 to 2 years and 2 to 5 years respectively. US\$ and GBP investment securities were hedged by US\$ and GBP borrowings respectively. The Group's bank and other borrowings in HK\$, US\$ and GBP were carried at interest rates calculated mainly with reference to HIBOR/cost of funds; bank borrowing in GBP was effectively carried at fixed rate; and bank borrowing in RMB was carried at interest rates calculated with reference to borrowing rates quoted by Peoples' Bank of China. As at 31st December, 2014, about 82.0% of the Group's borrowings were on floating rate basis and 18.0% were on fixed rate basis. No hedging for interest rate is subsisted at the end of the reporting period.

Pledge of Assets

As at 31st December, 2014, the Group had pledged the following assets:

- (a) The Group's investment properties, properties and other fixed assets and time deposits with their respective carrying amount of approximately HK\$44,156.9 million (2013: HK\$40,888.1 million), HK\$1,509.3 million (2013: HK\$512.1 million) and HK\$857.9 million (2013: HK\$699.2 million) were pledged to the Group's bankers to secure general banking and loan facilities granted to the Group.
- (b) The Group's investments held-for-trading and bonds with carrying amounts of approximately HK\$5,048.7 million (2013: HK\$13,013.1 million) and cash deposits of HK\$10.8 million (2013: HK\$512.4 million) were pledged to the Group's financial institutions to secure margin and securities facilities granted to the Group in respect of securities transactions, of which approximately HK\$1,713.7 million (2013: HK\$6,453.1 million) was utilised as at 31st December, 2014 as borrowings due within one year.
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.
- (d) The Group has subordinated and assigned its advances to associates of approximately HK\$1,679.4 million (2013: HK\$1,626.8 million) to financial institutions to secure general banking credit facilities granted to the associates.

Repurchase Guarantee

Certain mortgagee banks have provided end-user financing to purchasers of Splendid City and The Metropolis and the Group has provided repurchase guarantees to these mortgagee banks for securing the obligations of such purchasers for repayments. Such guarantees will be terminated upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the mortgagee banks.

The total outstanding amount of repurchase guarantee as at 31st December, 2014 was RMB15.8 million (equivalent to approximately HK\$19.7 million) (2013: RMB128.3 million (equivalent to approximately HK\$164.1 million)) and disclosed in the contingent liabilities.

Financial and Interest Income/Expenses

Continuing and Discontinued Operations

Interest income was included in revenue and investment income (2013: included in revenue, other income and investment income). Interest income for the Year was HK\$739.0 million, representing a decrease of 20.5% from that of 2013 of HK\$930.0 million.

Finance costs included interest expenses on bank loan, other loans and amount due to a non-controlling shareholder; exchange difference on foreign currency loans; and arrangement fee and facility and commitment fee expenses. Interest expenses for the Year amounted to HK\$380.3 million, representing a slight decrease of 0.4% over 2013 of HK\$382.0 million. Interest capitalised for the Year was HK\$142.3 million as compared to HK\$134.2 million for last year. The average interest rate over the year under review was 2.53% (2013: 2.30%), which was expressed as a percentage of total interest paid over the average total borrowings.

Remuneration Policies, Share Option Scheme and Share Award Scheme

As at 31st December, 2014, the Group employed a total of 624 staff in Hong Kong (2013: 652 staff) including about 266 staff (2013: 294 staff) employed under the estate management company in Hong Kong. Besides, there was a total of 739 staff in the offices at Mainland China (2013: 365 staff in the offices at Mainland China and Macau), which included about 197 staff (2013: 178 staff) of the estate management company and 370 staff (2013: nil) of the hotel in Chengdu.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The Executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted during the Year.

The Company had adopted a share award scheme ("Scheme") in 2009. The Scheme is to recognise and reward certain employees for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. Details of the Scheme were set out in the Company's circular dated 23rd December, 2008. No share was granted under the Scheme during the Year.

Mainland China and United Kingdom

Profit contribution from the Group's investment in Mainland China (mainly included in gross profit, fair value changes on investment properties, share of results of associates and taxation) for the Year amounted to HK\$155.2 million (2013: HK\$219.2 million). The Group's net investment in Mainland China as at 31st December, 2014 amounted to HK\$9,979.7 million (2013: HK\$9,969.3 million) representing approximately 24.0% of the Group's total equity.

Further, the Group's investment property in the United Kingdom with carrying amount of GBP390.9 million as at 31st December, 2014 (equivalent to approximately HK\$4,720.1 million) (2013: GBP316.2 million (equivalent to approximately HK\$4,043.1 million)) contributed a profit of HK\$1,036.7 million (2013: HK\$454.8 million) to the Group for the Year. As at 31st December, 2014, the Group's net investment in the United Kingdom amounted to HK\$2,078.5 million (2013: HK\$1,147.9 million) representing approximately 5.0% of the Group's total equity.

Listed Subsidiary

The Group did not own any listed subsidiary at the end of the reporting period.

Property Valuation

Property valuations have been carried out by B.I. Appraisals and Vigers Appraisal, independent qualified professional valuers, in respect of the Group's investment properties in Hong Kong and Mainland China as at 31st December, 2014 and 2013. For the investment property in the United Kingdom, the valuations as at 31st December, 2014 and 2013 were carried out by Peak Vision Appraisals, another independent qualified professional valuer. Their valuations were based on investment method and/or direct comparison method as the valuation methodologies and were used in preparing 2014 annual results.

The Group's investment properties were valued at HK\$48,917.2 million (2013: HK\$45,617.3 million) (including those classified as assets held for sale), an 9.2% increase over 2013 after adjusted for the additions, disposals and transfer of investment properties during the Year. The increase in fair value of approximately HK\$3,777.1 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared an increase in fair value of investment properties of associates of HK\$95.4 million (adjusted deferred tax credit of HK\$3.9 million) for the Year. Development properties and non-investment properties of the Group were stated at cost less impairment, if any, in these consolidated financial statements. For the investment property under development at Chinese Estates Plaza, Chengdu, during the Year, the hotel portion was completed and its cost was transferred to land and buildings. The remaining portion of office building, shopping arcade, residential tower and parking spaces were stated at cost of HK\$4,156.7 million in total in investment properties and will be carried at fair value, until the earlier of the date when its fair value first becomes reliably measurable or the date of the completion of the property.

The increase in fair value of HK\$3,777.1 million or 9.2% was mainly attributable to the Group's major investment properties in Hong Kong and United Kingdom. Such increase has reflected an upturn in the property markets of Hong Kong and United Kingdom for the Year. Rental renewals of Silvercord, The ONE and Windsor House for the Year have shown a continuous increase over the end of 2013.

FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the Year, but represents an extract from those consolidated financial statements. The final results of the Group for the Year have been reviewed by the Audit Committee of the Company.

Scope of work of HLB Hodgson Impey Cheng Limited

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

BUSINESS REVIEW

Hong Kong Property Investment

Rentals from investment properties continued to be one of the major sources of our income. The overall occupancy rate of the Group's retail portfolio was 99.20% during the Year. The high occupancy rate is attributable to the prime locations of the majority of the Group's retail properties.

The Group's attributable overall gross rental growth including the performance of non wholly-owned properties was 9.25% with rental income of HK\$1,683.1 million for the Year as compared with last year. The rental income from Hong Kong retail portion recorded steady growth of 8.58% while the non-retail portion showed an upward momentum with growth of 11.12%. Although Mainland China tourists' spending and the local consumption demand were slightly weakened, the Group's retail properties located mainly in prime shopping areas were highly praised and appreciated by tenants, therefore retail rents were generally raised. However, rental rates for certain retail business sectors have shown the sign of reaching the peak.

During the Year, the average occupancy rate of the shops of Causeway Place was approximately 85.95% excluding those disposed of.

The overall rental income of Windsor House was raised 6.71% for the Year as compared with last year. During the Year, its average occupancy rate was approximately 98.80%. Windsor House provides shoppers a cozy shopping environment with a diversified trade mix. Various marketing and promotion activities are held in Windsor House from time to time which boost shoppers' flow and thus increase tenants' business turnover. As a result, Windsor House recorded satisfactory rental growth and high occupancy rate.

As for Silvercord, the overall rental income was raised 13.97% for the Year as compared with last year. All the shops were fully let out throughout the Year. The Group disposed the companies holding Silvercord in January 2015.

The ONE recorded 7.57% increase of its overall rental income for the Year as compared with last year. Its average occupancy rate was approximately 99.90% during the Year. In December 2014, the Group has entered into a disposal agreement to dispose the company holding The ONE. Such transaction is expected to be completed in 2015.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, all the shops were fully let out as at 31st December, 2014.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 64.74% during the Year.

The occupancy rate for the Group's office properties maintained at a high level throughout the Year. During the Year, the average occupancy rates of Windsor House, MassMutual Tower and Harcourt House were approximately 91.53%, 97.68% and 99.33% respectively, bringing the approximate occupancy rate of the overall office portfolio to 95.60%.

Hong Kong Property Development

In general, the Group's development projects have been progressing satisfactorily and the sales have been achieving pleasing results.

No. 12 Shiu Fai Terrace, located in Mid-Levels East, is a traditional prestigious location for luxury residential project in Hong Kong. A luxury residential tower which provides a total residential gross floor area of around 40,726 square feet will be redeveloped. Superstructure work is in progress. Completion of the project is re-scheduled to the first quarter of 2016.

One South Lane is located in the Western District and enjoys close proximity to the Hong Kong University MTR Station. It will be redeveloped into a luxury residential/retail tower with a total gross floor area of around 41,318 square feet and consists of 92 residential units. Superstructure work is in progress. Completion of the project is re-scheduled to the third quarter of 2016. Since its pre-sales commenced in September 2014, 88 units were presold up to 31st December, 2014, representing 95.65% of total units.

The Group has a two-phase redevelopment project in Wanchai (87.5% interest) undertaken with the Urban Renewal Authority. All residential units of The Zenith (Phase I project) were sold. One WanChai (Phase II project with preservation of the core elements of Wanchai Market) is a residential/commercial complex development with total gross floor area of approximately 159,700 square feet which provides 237 residential units and retail properties. 236 units were sold and recognized up to 31st December, 2014, representing 99.58% of total units.

No. 55 Conduit Road (70% interest), a residential site in Mid-Levels with site area of about 36,000 square feet which provides a total residential gross floor area of around 87,800 square feet. This site will be developed into a luxury residential project. Superstructure work is in progress. Completion of the project is scheduled for the second quarter of 2015. Launching of the project is re-scheduled to the third quarter of 2015.

The Hermitage (25% interest) is one of the Group's joint venture development projects in West Kowloon. It comprises 6 residential tower blocks and provides in aggregate 964 residential units and retail properties with a total gross floor area of around 1,095,980 square feet. As at 31st December, 2014, 99.79% of total units were sold and recognized (2 units remaining).

The Coronation (15% interest) is another joint venture development project of the Group in West Kowloon. It comprises 6 residential tower blocks and provides in aggregate 740 residential units and retail properties with a total gross floor area of around 650,600 square feet. As at 31st December, 2014, 99.86% of total units were sold and recognized (1 unit remaining).

In early September 2014, the Group has been awarded the contract for the development of Kwun Tong Town Centre Project (Development Areas 2 and 3) by the Urban Renewal Authority (10% interest). The land had been handed over in December 2014. The total site area is approximately 234,160 square feet. Total gross floor area of around 1,853,561 square feet will be developed. Foundation work will be commenced in March 2015 and the whole project is expected to be completed in the first quarter of 2021.

Mainland China Property Investment

The average occupancy rate of the 79 retail outlets with a total area of approximately 29,000 square feet in Lowu Commercial Plaza, Shenzhen was approximately 99.71% for the Year.

Evergo Tower, located at Central Huaihai Road in Shanghai, is a 21-storey office and shopping complex and has a gross floor area of around 263,708 square feet. The average occupancy rates of the office and retail spaces for the Year were approximately 78.02% and 94.05% respectively.

Platinum (50% interest), a 20-storey Grade A office building located at Taicang Road of Huangpu District in Shanghai, has a gross floor area of about 466,464 square feet. The average occupancy rate for the Year was approximately 93.76%.

Hilton Beijing (50% interest), having 503 rooms, average occupancy rate was approximately 74.39% for the Year.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing, average occupancy rate was approximately 93.75% for the Year.

Mainland China Property Development

Splendid City is a residential and commercial project located at Yingbin Avenue of Jinniu District in Chengdu with a gross floor area of approximately 3.74 million square feet. It comprises two phases with 19 residential tower blocks and a 7-storey commercial building with gross floor area of approximately 272,740 square feet, namely Splendid City Commercial Building. Phase I provides 1,226 residential units with flat size ranging from gross floor area of approximately 854 square feet to 1,812 square feet. Phase II provides 1,625 residential units with flat size ranging from gross floor area of approximately 854 square feet to 1,812 square feet. As at 31st December, 2014, 1,215 units of Phase I were sold (representing 99.10% of total units) while 1,608 units of Phase II were sold (representing 98.95% of total units). As at 31st December, 2014, the average occupancy rate of Splendid City Commercial Building was approximately 83.26%.

The Metropolis is a residential project located at Yixue Lane and Tangba Street of Jinjiang District in Chengdu, with site area of approximately 194,411 square feet and corresponding gross floor area of approximately 1.65 million square feet. It will comprise 3 twin residential tower blocks and will be developed in phases. Tower 1 had been completed and provides 572 units with flat size ranging from gross floor area of approximately 704 square feet to 2,692 square feet. 471 units were sold up to 31st December, 2014 (representing 82.34% of total units). Tower 2 had been completed and provides 573 units with flat size ranging from gross floor area of approximately 735 square feet to 2,805 square feet. Launching of Tower 2 is re-scheduled to late 2015. Construction work of Tower 3 will be commenced in the fourth quarter of 2015.

Chinese Estates Plaza, a commercial and residential project at Tidu Street of Qingyang District in Chengdu, has a site area of about 404,267 square feet with a development scale of 3.2 million square feet. It comprises a Grade A 36-storey office building namely Chinese Estates Centre, a five-star hotel with 279 guest rooms namely The St. Regis Chengdu, a 6-storey shopping arcade with total area of approximately 917,000 square feet namely The ONE Chengdu and 4 residential tower blocks. Chinese Estates Centre has been completed and its leasing has been commenced in the second quarter of 2014 with occupancy rate of approximately 24.50% as at 31st December, 2014; The St. Regis Chengdu has been completed and its grand opening taken place in December 2014; The ONE Chengdu has been completed and will be opened within 2015; superstructure work of residential towers has been completed. Launching of the first residential tower is re-scheduled to late 2015.

The Coronation, a commercial and residential project at Huaxinjie Street of Jiangbei District in Chongqing (25% interest), has a site area of around 2,207,546 square feet and a gross floor area of approximately 11.09 million square feet. The project will be developed in four phases and Phase I will be divided into several zones. The construction work of Phase I is in progress. Completion of the first zone of Phase I is re-scheduled to the second quarter of 2015 and the entire Phase I is expected to be completed in the third quarter of 2017. The first zone of Phase I has been launched in March 2014. 535 out of 851 units launched were pre-sold up to 31st December, 2014.

Overseas Property Investment

River Court is a Grade A freehold office building situate at 116-129 Fleet Street, London, United Kingdom. It provides a total net internal area of approximately 431,324 square feet, together with certain car parking spaces. It was fully let out as of 31st December, 2014.

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Contract for Services – Continuing Connected Transactions

On 31st October, 2014, the Group entered into a contract for services (the “Contract”) with Mr. Joseph Lau, Luen-hung (“Mr. Joseph Lau”), a substantial shareholder and a controlling shareholder of the Company, whereby the Group agreed to provide to Mr. Joseph Lau leasing administration services, property management services, property administration services, asset management and maintenance services, rental services, advisory and consultancy services and other ordinary services for a term of 3 years commenced on 1st November, 2014. The Contract superseded all other existing contracts for services previously made between the Group and Mr. Joseph Lau. An announcement was made on 31st October, 2014.

As Mr. Joseph Lau, being a substantial shareholder and a controlling shareholder of the Company, is a connected person of the Company, the Contract and the transactions contemplated thereunder constituted continuing connected transactions of the Company under the Listing Rules.

Disposal of Subsidiaries – Major and Connected Transactions

As announced on 2nd September, 2014, the Group has on 1st September, 2014 entered into sale and purchase agreements, in relation to, inter alia, disposal of the Company’s wholly-owned subsidiaries that ultimately held (i) Moon Ocean Ltd. (former owner of a piece of land in Macau Special Administrative Region of the People’s Republic of China) and (ii) the property known as Silvercord and its car parking spaces to the companies wholly-owned by Mr. Joseph Lau at the final consideration of approximately HK\$4,876.2 million and HK\$7,656.1 million respectively (the “Disposal Transactions”). The Disposal Transactions constituted major and connected transactions of the Company under the Listing Rules and were subject to the approval of the independent shareholders of the Company (the “Independent Shareholders”). The Disposal Transactions were subsequently approved by the Independent Shareholders at the special general meeting held on 10th October, 2014 and were completed in October 2014 and January 2015 respectively. Details of the Disposal Transactions were set out in the circular of the Company dated 23rd September, 2014.

Disposal of a Subsidiary – Major and Connected Transaction

As announced on 12th December, 2014, the Group has on 12th December, 2014 entered into a sale and purchase agreement (the “Disposal Agreement”), in relation to, inter alia, disposal of a wholly-owned subsidiary of the Company that ultimately held the property known as The ONE to the company wholly-owned by Mr. Joseph Lau at a provisional consideration of approximately HK\$7,781.4 million (if the bank loan has been fully repaid prior to or upon completion of the Disposal Agreement and such repayment is fully or partially financed by additional sale loan provided after the date of the Disposal Agreement) or HK\$4,657.3 million (if the bank loan is still outstanding upon completion of the Disposal Agreement) (the “Transaction”). The Transaction constituted major and connected transaction of the Company under the Listing Rules and was subject to the approval of the Independent Shareholders. The Transaction was subsequently approved by the Independent Shareholders at the special general meeting held on 23rd January, 2015. Details of the Transaction were set out in the circular of the Company dated 7th January, 2015.

PROSPECTS

The economic environment of the United States and the European countries are showing signs of recovery. It is hoped that the recent embarking of the unprecedented quantitative easing program by the European countries will further facilitate their economic recovery. It is expected that those loose monetary measures will be maintained in the foreseeable future and the global economy will continue to recover in the times ahead.

Our well-located retail investment properties in Hong Kong consistently recorded satisfactory rental growth and high occupancy rates during the Year. Rental rates of certain retail business sectors have shown indications of reaching their peaks. The Group will continue to refine its tenant mix and actively launch marketing and promotion activities to accommodate the ever changing consumption patterns. The Group remains cautiously optimistic in the rental income growth from its retail investment properties.

Subsequent to the disposal of the companies holding Silvercord on 13th January, 2015, contribution of rental income from Silvercord to the Group in year 2015 will be significantly lowered. It is expected that the disposal of the company holding The ONE will be completed in the year ending 31st December, 2015. As a result, rental

contribution from The ONE to the Group in year 2015 will be reduced to extent that there will be rental contribution only until before completion of disposal. Essentially all sale proceeds from the disposal transaction of Silvercord has been distributed as special interim dividend, and it is expected that majority of the sale proceeds from the disposal of company holding The ONE will be declared as dividend. However, there will be no material corresponding income contribution to the Group from the sale proceeds from the disposal in respect of Silvercord and the expected sale proceeds from the disposal in respect of The ONE in year 2015.

The demand for quality commercial premises in key locations in Hong Kong remained solid during the Year. The Group's office investment properties situated in prime locations recorded good leasing performance. It is expected that the Group's office investment properties will continue to lease well and will provide steady rental income.

The performance of the local residential property market improved during the Year. Amidst of stringent property-related policies by the Hong Kong Government, demand for local residential properties was strong, especially for small-to-medium sized units. The Group expects continuing demand for local housing and is optimistic in its property development business in Hong Kong.

With the recognition of the "new normal condition" in economic development as well as the implementation of macro-control measures to adjust the economic structure and alter the economic development trend by the Central Government, it is expected that the economy in Mainland China will maintain medium-to-high growth rate and relatively stable development within a reasonable range. As a result of the lowering of the benchmark interest rate and the required reserve ratio, the relaxation of the mortgage policy and the decrease in government intervention, the Group believes that the future development of the property market in the Mainland China will become more stable and healthy.

The construction works of the Group's magnificent project in Chengdu – Chinese Estates Plaza is completing. In particular, the Grade A office building, Chinese Estates Centre, had its leasing works commenced; while the five-star hotel - The St. Regis Chengdu also had its grand opening taken place in December 2014, bringing further expansion to the hospitality business of the Group in China.

River Court, the Group's investment property in London, will continue making contributions through stable return.

In summary, the Group remains confident in its core businesses. The Group will prudently monitor the property markets of Hong Kong, Mainland China and overseas, strive to expand its land bank and investment property portfolio to further strengthen the Group' value and achieve long-term sustainable growth.

CORPORATE GOVERNANCE

Throughout the Year, the Company had applied the principles and complied with the code provisions and certain recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules, except the following deviations:-

Code Provision A.1.8 – Directors' Insurance

The insurance policy has not been renewed upon its expiry in August 2012 due to substantially increase in premium. The Company is of the view that the existing corporate governance measures within the Group are sound and effective such that the risk to the Directors could be minimized. Nevertheless, the Company would still consider to arrange appropriate insurance coverage for its Directors as and when competitive premium quotations could be sourced.

Code Provision A.2.1 – Chairman and Chief Executive

During the Year, Mr. Joseph Lau acts as both the chairman of the Board (the "Chairman") and the Chief Executive Officer ("CEO") of the Company until 13th March, 2014. Following the resignation of Mr. Joseph Lau from all his offices of the Company on 14th March, 2014, Mr. Lau, Ming-wai ("Mr. MW Lau") was appointed as the Chairman and Acting CEO. Mr. MW Lau was subsequently re-designated from Acting CEO to CEO on 15th April, 2014. The Board considers that the balance of power and authority of the Board will not be impaired even the roles of the Chairman and the CEO are performed by the same individual. At present, the Board also believes that under the leadership of Mr. MW Lau as the Chairman and CEO, the Board's decision could be made effectively and it is beneficial to the management and development of the Group's businesses. The Board would still consider segregation of the roles of the Chairman and the CEO if and when appropriate.

Code Provision A.6.7 - Non-executive Director Attending General Meetings

Ms. Amy Lau, Yuk-wai, a Non-executive Director, was unable to attend the annual general meeting held on 20th May, 2014 and the special general meeting held on 10th October, 2014 as she was not in Hong Kong on such dates. All the Independent Non-executive Directors had attended such general meetings.

Detailed information of the Company's corporate governance practices will be disclosed in the Corporate Governance Report contained in the Company's 2014 Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Year.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Group's securities had been requested to follow such code when dealing in the securities of the Company.

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

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

APPRECIATION

We would like to take this opportunity to express our gratitude to the shareholders for their continuing support. We would also like to express our sincere thanks to all staff members for their dedication and hard work.

On behalf of the Board
Lau, Ming-wai
Chairman

Hong Kong, 19th March, 2015

As at the date of this announcement, the Board comprised Mr. Lau, Ming-wai, Ms. Chan, Sze-wan, Mr. Lam, Kwong-wai and Ms. Lui, Lai-kwan as Executive Directors, Ms. Amy Lau, Yuk-wai as Non-executive Director, and Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: <http://www.chineseestates.com>

This results announcement is published on the website of the Company (<http://www.chineseestates.com>) and the HKExnews website (<http://www.hkexnews.hk>).

Results Highlights will also be posted on the Company's website on 19th March, 2015.