世紀城市國際控股有限公司
Century City
International Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 355)

ANNOUNCEMENT OF 2013 GROUP FINAL RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2013 HK$'M	Year 2012 HK$'M	% Change
Revenue	**3,630.5**	1,739.8	**+108.7%**
Gross profit	**1,222.5**	737.1	**+65.9%**
Operating profit before depreciation and finance costs	**1,224.5**	2,433.7	**-49.7%**
Profit for the year attributable to equity holders of the parent	**202.0**	1,192.7	**-83.1%**
Basic earnings per ordinary share attributable to equity holders of the parent	**HK$0.06**	HK$0.37	**-83.8%**
Proposed final dividend per ordinary share	**HK2.0 cents**	HK1.9 cents	**+5.3%**
Total dividends for the year per ordinary share	**HK2.6 cents**	HK2.45 cents	**+6.1%**

	As at 31st December, 2013 (Unaudited)	2012 (Unaudited)	
Net asset value per ordinary share attributable to equity holders of the parent	**HK$2.47**	HK$2.27	**+8.8%**

- **As the profit recorded for the preceding year included the one-off net accounting gain which arose when Regal Hotels International Holdings Limited was consolidated as a subsidiary of the Group, the profit reported for the year under review was substantially lower than that for 2012.**
- **Aggregate depreciation charges in the amount of HK$442.1 million have been provided in respect of the Group's hotel properties for the year under review which, though having no cash flow impact, have nonetheless affected the reported profit.**
- **With a view to diversifying the investment portfolio and to broadening the income base of the Group, a wholly owned subsidiary of the Group first embarked on the aircraft ownership and leasing business with its acquisition in 2012 of an 84.9% effective interest in a Boeing 737-800 model aircraft. Two additional aircraft have since been acquired by the Regal group, one wholly owned and the other with an effective 85% interest.**
- **The Group intends to participate more actively in the management aspects of the aircraft ownership and leasing business, particularly if the Group's overall investments in this new line of principal business further expand.**
- **The Group is actively preparing to reactivate its financial service business, including property mortgage lending and special situation financings, which are intended to be conducted through Cityline Finance Limited, a wholly owned subsidiary of the Company with money lender's licence in Hong Kong, and other subsidiary members of the Group.**
- **Century Innovative Technology group is a 48% owned associate of the Group (with the remaining 52% interest effectively held by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of the Company), which is principally engaged in the online education, entertainment and technology businesses based on the "Bodhi and Friends" characters with business operations mainly based in Shenzhen, the PRC.**
- **Century Innovative Technology has produced a 3D animated television series which are currently broadcasted primetime on CCTV (China's leading national television network), the major children channels of all key satellite TV stations as well as 7 major video streaming portals and also to be broadcasted on 70 other channels in the PRC. Its initial portfolio of products includes online learning platform, featuring 3D English learning courseware and educational APPs, mobile games and community games, and educational toys.**

- **Century Innovative Technology is positioned as one of the leading online communities in the PRC that integrates entertainment, education, assessment, e-commerce and communication.**
- **Following the takeover of Cosmopolitan International Holdings Limited in September 2013, the Century City Group now comprises a total of five listed members. As the ultimate holding company, the Company held as at 31st December, 2013 a 62.2% shareholding interest in Paliburg Holdings Limited, which, in turn, held a 58.2% shareholding interest in Regal and a 67.5% effective shareholding interest in Cosmopolitan. As at 31st December, 2013, Regal REIT was 74.6% owned by Regal.**
- **The Century City Group as a whole has over the past years expanded substantially in asset size and business scope through new acquisitions and investments in new businesses.**
- **The Group will continue to closely monitor the capital and investment markets for any appropriate opportunities that can facilitate the continuing development of the Century City Group.**
- **The Directors are hopeful that when all these new investments gradually mature, the overall financial strength and profitability of the Century City Group will be elevated to a new dimension.**

FINANCIAL RESULTS

For the year ended 31st December, 2013, the Group achieved a consolidated profit attributable to shareholders of HK$202.0 million, as compared to the profit of HK$1,192.7 million recorded for 2012.

As the profit recorded for the preceding year included a one-off net accounting gain of HK$2,117.5 million which arose when Paliburg Holdings Limited, the listed intermediate subsidiary of the Company, consolidated Regal Hotels International Holdings Limited, previously a listed associate of Paliburg, based on the fair values of the assets and liabilities of Regal as at 7th May, 2012, the date when Regal became a listed subsidiary of Paliburg, the profit reported for the year under review was substantially lower than that for 2012. Moreover, the hotel properties which are owned by Regal Real Estate Investment Trust, the listed subsidiary of Regal, and leased to a wholly owned subsidiary of Regal are classified in the Group's financial statements as property, plant and equipment and are subject to depreciation charges to accord with the accounting standards. Accordingly, depreciation charges in the amount of HK$442.1 million have been provided in respect of the hotel properties in the Group's results for the year which, though having no cash flow impact, have nonetheless affected the reported profit.

BUSINESS OVERVIEW

With a view to diversifying the investment portfolio and to broadening the income base of the Group, a wholly owned subsidiary of the Group first embarked on the aircraft ownership and leasing business with its acquisition in 2012 of an 84.9% effective interest in a Boeing 737-800 model aircraft. The aircraft is managed by a professional asset manager and has been leased to an airline operator generating satisfactory recurring revenues. Two additional aircraft have since been acquired by the Regal group, one wholly owned and the other with an effective 85% interest. The two aircraft owned by the Regal group are also managed by the same professional asset manager and have been leased to two separate airline operators at satisfactory rental levels.

The Group intends to participate more actively in the management aspects of the aircraft ownership and leasing business, particularly if the Group's overall investments in this new line of principal business further expand.

The Group has established the fund management business in the People's Republic of China and a wholly owned subsidiary of the Group is acting as the general partner of two sizable investment funds established in Chongqing.

In the meanwhile, the Group is actively preparing to reactivate its financial service business, including property mortgage lending and special situation financings, which are intended to be conducted through Cityline Finance Limited, a wholly owned subsidiary of the Company with money lender's licence in Hong Kong, and other subsidiary members of the Group.

The Group effectively owns an aggregate of 48% interests (comprising 36% held by the Regal group and 12% held through wholly owned subsidiaries of the Company) in 8D Matrix Limited, an associate of the Group, which wholly owns Century Innovative Technology group. The remaining 52% interest in 8D Matrix is effectively held by Mr. Lo Yuk Sui, the Chairman and controlling shareholder of the Company. Century Innovative Technology is principally engaged in the online education, entertainment and technology businesses based on the "Bodhi and Friends" characters with business operations mainly based in Shenzhen, the PRC.

Century Innovative Technology has produced a 3D animated television series which are currently broadcasted primetime on CCTV (China's leading national television network), the major children channels of all key satellite TV stations as well as 7 major video streaming portals and also to be broadcasted on 70 other channels in the PRC. Its initial portfolio of products includes online learning platform, featuring 3D English learning courseware and educational APPs, mobile games and community games, and educational toys. Century Innovative Technology is positioned as one of the leading online communities in the PRC that integrates entertainment, education, assessment, e-commerce and communication.

Following the takeover of Cosmopolitan International Holdings Limited in September 2013, the Century City Group now comprises a total of five listed members. As the ultimate holding company, the Company held as at 31st December, 2013 a 62.2% shareholding interest in Paliburg, which, in turn, held a 58.2% shareholding interest in Regal and a 67.5% effective shareholding interest in Cosmopolitan. As at 31st December, 2013, Regal REIT was 74.6% owned by Regal. The financial results and the business operations of each of the listed members of the Century City Group are highlighted below.

PALIBURG HOLDINGS LIMITED

For the year ended 31st December, 2013, Paliburg achieved a consolidated profit attributable to shareholders of HK$322.9 million, as compared to the profit of HK$2,294.3 million recorded for 2012. As mentioned above, as the profit recorded by Paliburg for the preceding year included the one-off net accounting gain arising from the consolidation of Regal, the profit attained for the year under review was substantially lower.

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

REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED

For the year ended 31st December, 2013, Regal achieved a consolidated profit attributable to shareholders of HK$256.9 million, as compared to the profit of HK$536.3 million attained in 2012.

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

REGAL REAL ESTATE INVESTMENT TRUST

Regal REIT owns all the operating Regal Hotels in Hong Kong and is a listed subsidiary of Regal. Regal Portfolio Management Limited, a wholly owned subsidiary of Regal, acts as the REIT Manager.

For the year ended 31st December, 2013, Regal REIT achieved a consolidated net profit before distributions to Unitholders of HK$342.6 million, as compared to HK$3,548.8 million recorded for the year 2012. The decrease in the reported profit was largely attributable to the fact that for the preceding year, the profit achieved included a significant gain of HK$3,068.0 million derived from the changes in the fair values of Regal REIT's investment properties. Benefitting from the increased rental receipts, the total distributable income for Regal REIT for the year under review amounted to HK$497.1 million, an increase of 7.0% over the HK$464.7 million reported last year.

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

COSMOPOLITAN INTERNATIONAL HOLDINGS LIMITED

Cosmopolitan became a listed subsidiary of Paliburg and, in turn, effectively of the Company on 16th September, 2013. To align with the financial year end date of the Group, Cosmopolitan has changed its financial year end from 31st March to 31st December.

For the nine-month period ended 31st December, 2013, Cosmopolitan recorded a consolidated loss of HK$88.2 million, as compared to the profit of HK$52.8 million (as restated) for the financial year ended 31st March, 2013.

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

OUTLOOK

The Century City Group as a whole has over the past years expanded substantially in asset size and business scope through new acquisitions and investments in new businesses. After the completion of the series of corporate restructurings, including the takeover of Cosmopolitan, the roles and business focuses of different members of the Century City Group are now more clearly delineated and strategically positioned to capture growth opportunities. The Group will continue to closely monitor the capital and investment markets for any appropriate opportunities that can facilitate the continuing development of the Century City Group. The Group believes that the economies in Hong Kong and the PRC will continue to grow and has committed significant investments in the region. The Directors are hopeful that when all these new investments gradually mature, the overall financial strength and profitability of the Century City Group will be elevated to a new dimension.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The principal businesses of Paliburg, the Group's listed intermediate subsidiary, comprising its investment in Regal, its property development and investment businesses (including those undertaken in Hong Kong through P&R Holdings Limited, the joint venture with Regal, and those in the PRC through Cosmopolitan, which became a listed subsidiary of P&R Holdings since 16th September, 2013), construction and building related businesses, and other investment businesses. The business review of Paliburg during the year under review, the commentary on the property sectors in which the Paliburg group operates and the changes in the general market conditions and the potential impact on their operating performance and future prospects are contained in Paliburg's and Cosmopolitan's announcements separately released today.

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

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

Joint Venture – P&R Holdings Limited

P&R Holdings is a 50:50 owned joint venture established by Paliburg and Regal in April 2011, with capital contributions to be provided by Paliburg and Regal on a pro-rata basis in accordance with their respective shareholdings in P&R Holdings. Pursuant to a supplemental agreement to the shareholders' agreement in respect of P&R Holdings entered into on 20th August, 2013, the business scope of P&R Holdings has been extended from the development of real estate projects for sale and/or leasing and the undertaking of related investment and financial activities to include, additionally, the acquisition or making of any investments (directly or indirectly) in the financial assets of or interests in, or extending loans to, any private, public or listed corporations or undertakings that have interests in real estate projects or other financial activities where the underlying assets or security comprise real estate properties.

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

Hong Kong

Apart from the contract for the Shun Ning Road project in Sham Shui Po, Kowloon, most recently awarded by the Urban Renewal Authority of Hong Kong, all the other development projects currently undertaken by P&R Holdings group in Hong Kong are wholly owned by P&R Holdings group.

Nos.14-20 Merlin Street, North Point

This development project has an aggregate site area of approximately 457 square metres (4,915 square feet) and is being developed into a hotel with about 338 guestrooms, with total gross floor area of approximately 6,849 square metres (73,721 square feet) and the covered floor area of approximately 9,393 square metres (101,105 square feet). The superstructure works have been completed and the application for the issue of the occupation permit has already been submitted recently.

This property is subject to an option to purchase granted to Regal REIT, exercisable at its discretion, pursuant to an Option Agreement as mentioned in the interim report of the Company for the six months ended 30th June, 2013.

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

This development project has a site area of approximately 11,192 square metres (120,470 square feet) and is planned for a residential development with a total of 170 units, comprising 36 garden houses and a low-rise apartment block with 134 units, having aggregate gross floor area of approximately 11,192 square metres (120,470 square feet). The superstructure works have been commenced. The project is expected to be completed in the first quarter of 2015.

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

The properties have an aggregate site area of approximately 345 square metres (3,710 square feet) and are planned for the development of a hotel with 98 guestrooms and suites, with total gross floor area of approximately 5,236 square metres (56,360 square feet). The foundation works have been completed and the development is anticipated to be completed in 2016.

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

The acquisition of the subject properties was completed in April 2013. The properties have an aggregate site area of approximately 700 square metres (7,535 square feet). The plans for the development of the properties into a hotel with 340 guestrooms, having total gross floor area of approximately 6,298 square metres (67,790 square feet), have been formally approved by the Town Planning Board. The building plans for the development have now also been approved and the foundation works are already in progressing. This hotel development project is expected to be completed in year 2016.

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

This development site, acquired through a government tender held in June 2013, has a site area of 5,090 square metres (54,788 square feet) and a maximum gross floor area of 15,270 square metres (164,364 square feet). The project is presently planned to be developed into a shopping mall and the planning works for the development are currently in progress.

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

This development site was acquired through a government tender held in September 2013. The land has a site area of 17,746 square metres (188,100 square feet). The project is presently planned for a residential development comprising 7 mid-rise apartment blocks with about 136 units and 21 luxury houses, having aggregate gross floor area of approximately 32,474 square metres (349,547 square feet). The building plans for the development have recently been submitted to the government authorities for approval.

Mainland China

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

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

Cosmopolitan International Holdings Limited

As mentioned above, Cosmopolitan is now listed subsidiary of the Group held through P&R Holdings. Further information relating to the property development projects being undertaken by the Cosmopolitan group in Mainland China is set out below:

Property Development

Chengdu Project

The Chengdu Project was previously held as to 70% by P&R Holdings and the remaining 30% by a joint venture 50/50 owned by Regal and Cosmopolitan. Pursuant to the transactions completed in September 2013, a wholly owned subsidiary of Cosmopolitan acquired from P&R Holdings and the joint venture their respective interests in the project, with the consideration in each case based on an independent professional valuation of the Chengdu Project of RMB1,540 million as of 31st May, 2013 and with a 5% discount to the valuation, subject to adjustments for other net tangible assets. The Chengdu Project is now 100% owned by the Cosmopolitan group.

The project involves a mixed use development project located in Xindu District in Chengdu, Sichuan Province, consisting of hotel, commercial, office, service apartments and residential components with an overall total gross floor area of approximately 497,000 square metres, which is being developed in stages spanning over a period to 2017. The first stage of the development, which includes a hotel with 306 hotel rooms and extensive facilities and three residential towers with about 340 apartment units with car parking spaces and ancillary commercial accommodation, is expected to be completed in 2015. Presale of the residential units in the three residential towers included in the first stage is anticipated to be launched in the fourth quarter of this year.

Tianjin Project

The Tianjin Project was acquired by Cosmopolitan from the Regal group as part of the transactions completed in September 2013, with consideration based on an independent professional valuation of the Tianjin Project of RMB1,250 million as of 31st May, 2013 and with a 10% discount to the valuation, subject to adjustments for other net tangible assets.

The project entails a development site located in a prime district in Tianjin City with a total site area of about 31,700 square metres. The development is presently planned to include commercial, office, hotel and residential components with total gross floor area of about 145,000 square metres. The site formation and foundation works for the project have already commenced and the entire development is anticipated to be completed in stages before end of 2016.

Xinjiang Project

This is a re-forestation and land grant project in Urumqi City, Xinjiang Uygur Autonomous Region, the PRC that has been undertaken by the Cosmopolitan group since 2008, which involves a total site area of about 7,600 mu. Up to now, the Cosmopolitan group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi City, a parcel of land with an area of about 1,843 mu (equivalent to approximately 1,228,700 square metres) within the project site will be available for commercial development after the requisite inspection, land grant listing and tender procedures are completed. The inspection and measurement of the re-forested area by the relevant government authorities are already in progress. It is hoped that the final procedures leading to the land grant listing and tender of the development land would be concluded within 2014.

Should the Cosmopolitan group successfully secure the development land and depending on the permitted land use, the Cosmopolitan group preliminarily plans to develop in stages on the land a large scale mixed use complex comprising residential, hotel, recreational and commercial properties.

Wuxi Project

The Cosmopolitan group entered into in October 2013 a Co-operation Agreement for Business and Investment Encouragement with Wuxi Huishan District People's Government and Wuxi Metro Xizhang Area Commission for the possible acquisition and development of a parcel of land of about 937 mu (equivalent to approximately 624,270 square metres) located in Huishan District, Wuxi City, Jiangsu Province, the PRC. The Co-operation Agreement for the Wuxi Project is subject to certain terms to be agreed by the parties within six months of the date of the agreement, which are still in the course of discussions among the parties.

Property Investment

Beijing Tongzhou Project

On 26th February 2014, the Cosmopolitan group entered into a Co-operation Agreement with an independent third party in respect of the investment in an investee company involved in a resettlement housing project in Tongzhou District, Beijing, the PRC. Under the Co-operation Agreement for the Tongzhou Project, the investee company will be 82.5% owned by the Cosmopolitan group and the remaining 17.5% by that third party and the aggregate capital commitments of the Cosmopolitan group will amount to RMB297,000,000. The capital contribution by the Cosmopolitan group is subject to certain prescribed conditions being fulfilled under the Co-operation Agreement.

The investee company is a limited liability company incorporated in the PRC for investing in a primary land development project confirmed by the PRC government and entrusted to the investee company through the Beijing Land Reserve Centre. The principal purpose of the project is to develop buildings for the purposes of housing resettlement under PRC government policies. The total site area planned to be developed under the project is approximately 181,000 square metres and the planned above-ground construction area is approximately 412,000 square metres.

The Cosmopolitan group's investment in the Tongzhou Project is expected to generate returns on satisfactory terms, which will have support from the PRC government. Moreover, the undertaking of the project is also expected to strengthen the Cosmopolitan group's experience in the management of primary land development projects and foster its relationship with the PRC government authorities in furtherance of its future strategic business development in the PRC.

Further detailed information in relation to this Tongzhou Project was contained in the joint announcement of the Company dated 26th February, 2014.

FINANCIAL REVIEW

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

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

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

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

Cash Flow

Net cash flows used in operating activities during the year under review amounted to HK$3,233.1 million (2012 – net cash flows generated from operating activities of HK$3.0 million). Net interest payment for the year amounted to HK$234.9 million (2012 – HK$71.9 million).

Borrowings and Gearing

As at 31st December, 2013, the Group's borrowings, net of cash and bank balances and deposits, amounted to HK$8,403.4 million (2012 – HK$3,179.4 million).

As at 31st December, 2013, the gearing ratio of the Group was 23.7% (2012 – 9.9%), representing the Group's borrowings net of cash and bank balances and deposits of HK$8,403.4 million (2012 – HK$3,179.4 million), as compared to the total assets of the Group of HK$35,416.4 million (2012 – HK$32,144.7 million).

Details of the maturity profile of the borrowings of the Group as of 31st December, 2013 are shown in the consolidated financial statements ("Financial Statements") contained in the annual report of the Company for the year ended 31st December, 2013 (the "2013 Annual Report"), which will be despatched to shareholders on or before 30th April, 2014.

Pledge of Assets

As at 31st December, 2013, certain of the Group's property, plant and equipment, investment properties, properties held for sale, properties under development, financial assets at fair value through profit or loss, held-to-maturity investments, bank deposits and bank balances in the total amount of HK$14,529.3 million (2012 – HK$20,153.1 million) were pledged to secure general banking facilities granted to the Group and, in addition, part of the Group's bank deposits, bank balances, financial assets at fair value through profit or loss and held-to-maturity investments in the amount of HK$428.5 million (2012 – HK$380.0 million) were pledged to secure a bank guarantee procured by the Group pursuant to certain lease guarantees in connection with the leasing of the hotel properties from Regal REIT. In addition, as at 31st December, 2013, certain ordinary shares in a listed subsidiary (2012 – two listed subsidiaries) with a market value of HK$460.0 million (2012 – an aggregate market value of HK$775.4 million) were also pledged to secure general banking facilities granted to the Group.

Capital Commitments

Details of the capital commitments of the Group as at 31st December, 2013 are shown in the Financial Statements.

Contingent Liabilities

The Group had no contingent liability as at 31st December, 2013.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK2.0 cents per ordinary share for the year ended 31st December, 2013, representing an increase of 5.3% over the final dividend of HK1.9 cents per ordinary share paid for the last financial year. This proposed final dividend will absorb an amount of approximately HK$64.2 million (2012 – HK$61.0 million) and will be payable to the holders of ordinary shares on the Register of Ordinary Shareholders on 11th June, 2014.

Together with the interim dividend of HK0.6 cent (2012 – HK0.55 cent) per ordinary share paid in October 2013, total dividends per ordinary share for the year ended 31st December, 2013 will amount to HK2.6 cents (2012 – HK2.45 cents), representing an increase of 6.1% over the total dividends paid in 2012.

ANNUAL GENERAL MEETING

An Annual General Meeting of the Company will be convened to be held on Tuesday, 3rd June, 2014. The Notice of the Annual General Meeting will be published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company and sent to the shareholders of the Company, together with the Company's 2013 Annual Report, in due course.

CLOSURE OF REGISTER

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

(i) from Thursday, 29th May, 2014 to Tuesday, 3rd June, 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2014 Annual General Meeting. In order to be entitled to attend and vote at the 2014 Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch registrar in Hong Kong, Tricor Tengis Limited (the "Branch Registrar"), no later than 4:30 p.m. on Wednesday, 28th May, 2014; and

(ii) from Monday, 9th June, 2014 to Wednesday, 11th June, 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar no later than 4:30 p.m. on Friday, 6th June, 2014.

The relevant dividend warrants for the aforesaid final dividend are expected to be despatched on or about 23rd June, 2014.

YEAR END RESULTS

Consolidated Statement of Profit or Loss

	Year ended 31st December, 2013 HK$'M	Year ended 31st December, 2012 HK$'M
REVENUE (Notes 2 & 3)	**3,630.5**	1,739.8
Cost of sales	**(2,408.0)**	(1,002.7)
Gross profit	**1,222.5**	737.1
Other income and gains (Note 3)	**74.2**	35.6
Fair value gains on investment properties, net	**9.0**	60.6
Fair value losses on financial assets at fair value through profit or loss, net	**(66.6)**	(124.0)
Fair value loss on remeasurement of investments in a listed associate and an unlisted joint venture, net	**–**	(4,355.9)
Gain on bargain purchase of a listed subsidiary	**–**	6,473.4
Gain on disposal of subsidiaries	**279.2**	–
Impairment of goodwill	**–**	(202.0)
Administrative expenses	**(293.8)**	(191.3)
Other operating income (Note 4)	**–**	0.2
OPERATING PROFIT BEFORE DEPRECIATION	**1,224.5**	2,433.7
Depreciation	**(469.2)**	(290.9)
OPERATING PROFIT (Notes 2 & 5)	**755.3**	2,142.8
Finance costs (Note 6)	**(260.5)**	(122.0)
Share of profits and losses of:		
Joint ventures	**0.3**	(0.8)
Associates	**40.2**	166.6
PROFIT BEFORE TAX	**535.3**	2,186.6
Income tax (Note 7)	**(84.9)**	(2.6)
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	**450.4**	2,184.0

Consolidated Statement of Profit or Loss (Cont'd)

	Year ended 31st December, 2013 HK$'M	Year ended 31st December, 2012 HK$'M
Attributable to:		
Equity holders of the parent	**202.0**	1,192.7
Non-controlling interests	**248.4**	991.3
	450.4	2,184.0
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 9)		
Basic and diluted	**HK6.29 cents**	HK36.95 cents

Consolidated Statement of Comprehensive Income

	Year ended 31st December, 2013 HK$'M	Year ended 31st December, 2012 HK$'M
PROFIT FOR THE YEAR BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	**450.4**	2,184.0
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**2.7**	0.6
Reclassification adjustment for loss/(gain) included in the statement of profit or loss		
- Gain on disposal	**–**	(0.4)
- Impairment loss	**–**	1.9
	2.7	2.1
Cash flow hedges:		
Changes in fair value of cash flow hedges	**(7.4)**	(2.9)
Transfer from hedge reserve to the statement of profit or loss	**6.1**	1.3
	(1.3)	(1.6)
Exchange differences on translating foreign operations	**78.2**	10.3
Reclassification adjustments on deemed disposals of a listed associate and an unlisted joint venture	**–**	(31.7)
Reclassification adjustments on disposals of foreign operations	**(45.3)**	–
Share of other comprehensive income/(loss) of:		
Joint ventures	**–**	(0.5)
Associates	**0.5**	(55.1)
Other comprehensive income/(loss) for the year	**34.8**	(76.5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**485.2**	2,107.5

Consolidated Statement of Comprehensive Income (Cont'd)

	Year ended 31st December, 2013	Year ended 31st December, 2012
	HK$'M	**HK$'M**
Attributable to:		
Equity holders of the parent	**216.9**	1,146.0
Non-controlling interests	**268.3**	961.5
	485.2	2,107.5

Consolidated Statement of Financial Position

	31st December, 2013	31st December, 2012
	HK$'M	**HK$'M**
NON-CURRENT ASSETS		
Property, plant and equipment	**19,459.0**	20,393.7
Investment properties	**1,715.4**	948.3
Properties under development	**1,308.6**	370.8
Investment in a joint venture	**–**	251.2
Investments in associates	**32.8**	23.5
Available-for-sale investments	**38.1**	22.5
Financial assets at fair value through profit or loss	**10.2**	174.2
Loans receivable	**8.4**	21.7
Deposits and prepayments	**64.8**	2.3
Trademark	**610.2**	610.2
Goodwill	**261.0**	–
Other assets	**0.2**	0.2
Total non-current assets	**23,508.7**	22,818.6
CURRENT ASSETS		
Properties under development	**5,750.4**	831.1
Properties held for sale	**1,513.3**	1,510.8
Inventories	**56.5**	38.1
Debtors, deposits and prepayments (Note 10)	**438.3**	949.7
Loans receivable	**6.7**	0.3
Held-to-maturity investments	**235.7**	219.5
Financial assets at fair value through profit or loss	**861.7**	1,176.4
Derivative financial instruments	**22.0**	–
Tax recoverable	**2.2**	–
Restricted cash	**51.9**	44.2
Pledged time deposits and bank balances	**433.2**	321.9
Time deposits	**1,213.6**	2,769.4
Cash and bank balances	**1,322.2**	1,464.7
Total current assets	**11,907.7**	9,326.1

Consolidated Statement of Financial Position (Cont'd)

	31st December, 2013	31st December, 2012
	HK$'M	HK$'M
CURRENT LIABILITIES		
Creditors and accruals (Note 11)	**(523.8)**	(617.3)
Deposits received	**(27.0)**	(47.0)
Interest bearing bank borrowings	**(1,624.0)**	(81.5)
Derivative financial instruments	–	(2.1)
Tax payable	**(108.7)**	(47.4)
Total current liabilities	**(2,283.5)**	(795.3)
NET CURRENT ASSETS	**9,624.2**	8,530.8
TOTAL ASSETS LESS CURRENT LIABILITIES	**33,132.9**	31,349.4
NON-CURRENT LIABILITIES		
Creditors and deposits received	**(45.0)**	(456.4)
Interest bearing bank borrowings	**(5,599.8)**	(5,404.3)
Other borrowings	**(4,200.5)**	(2,293.8)
Derivative financial instruments	**(4.1)**	(2.8)
Deferred tax liabilities	**(2,322.4)**	(2,286.8)
Total non-current liabilities	**(12,171.8)**	(10,444.1)
Net assets	**20,961.1**	20,905.3
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	**321.0**	321.3
Reserves	**7,539.2**	6,907.2
Proposed final dividend	**64.2**	61.0
	7,924.4	7,289.5
Non-controlling interests	**13,036.7**	13,615.8
Total equity	**20,961.1**	20,905.3

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*

HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, HKAS 19 (2011), amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on the financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1st January, 2013.

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The application of HKFRS 11 had no impact on the Group's results of operations or financial position.

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of financial instruments are included in notes to the financial statements.

(f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in the financial statements.

(g) HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. As the Group does not have any defined benefit plan or employee termination plan and the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period, the adoption of the revised standard has had no effect on the financial position or performance of the Group.

(h) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 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. The amendments are effective retrospectively for annual periods beginning on or after 1st January, 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in the financial statements. The amendments have had no impact on the financial position or performance of the Group.

(i) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

2. OPERATING SEGMENT INFORMATION

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

(a) the property development and investment segment comprises the development and sale of properties, the leasing of properties and the provision of estate agency services;

(b) the construction and building related businesses segment engages in construction works and building related businesses, including the provision of development consultancy and project management services, property management and also security systems and products and other software development and distribution;

(c) the hotel operation and management and hotel ownership segment engages in hotel operations and the provision of hotel management services, and the ownership in hotel properties for rental income through Regal REIT;

(d) the asset management segment engages in the provision of asset management services to Regal REIT;

(e) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments; and

(f) the others segment mainly comprises aircraft ownership and leasing business, the provision of financing services, travel agency services, development and distribution of edutainment products, and sale of food products.

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

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

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

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

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31st December, 2013 and 2012.

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Others		Eliminations		Consolidated	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	HK$'M	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**	**HK$'M**
Segment revenue:																
Sales to external customers	1,470.1	304.8	18.2	59.5	2,003.4	1,331.5	-	-	74.8	19.4	64.0	24.6	-	-	3,630.5	1,739.8
Intersegment sales	4.9	3.1	187.6	28.4	-	-	95.3	62.8	-	-	-	-	(287.8)	(94.3)	-	-
Total	1,475.0	307.9	205.8	87.9	2,003.4	1,331.5	95.3	62.8	74.8	19.4	64.0	24.6	(287.8)	(94.3)	3,630.5	1,739.8
Segment results before depreciation	398.7	36.7	(5.1)	4.9	908.0	644.1	(14.3)	(8.5)	7.1	(100.7)	26.3	9.0	-	-	1,320.7	585.5
Depreciation	(1.4)	(0.8)	(0.5)	(0.5)	(449.5)	(283.7)	-	-	-	-	(16.4)	(4.8)	-	-	(467.8)	(289.8)
Segment results	397.3	35.9	(5.6)	4.4	458.5	360.4	(14.3)	(8.5)	7.1	(100.7)	9.9	4.2	-	-	852.9	295.7
Unallocated interest income and unallocated non-operating and corporate gains															33.7	6,498.8
Unallocated non-operating and corporate expenses															(131.3)	(4,651.7)
Operating profit															755.3	2,142.8
Finance costs															(260.5)	(122.0)
Share of profits and losses of:																
Joint ventures	0.3	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	0.3	(0.8)
Associates	47.4	36.5	-	-	(1.0)	133.2 *	-	-	-	-	(6.2)	(3.1)	-	-	40.2	166.6
Profit before tax															535.3	2,186.6
Income tax															(84.9)	(2.6)
Profit for the year before allocation between equity holders of the parent and non-controlling interests															450.4	2,184.0
Attributable to:																
Equity holders of the parent															202.0	1,192.7
Non-controlling interests															248.4	991.3
															450.4	2,184.0

* The amount mainly represents contribution from Regal, the former associate of the Company, and its subsidiaries (including Regal REIT and its subsidiaries), which were previously accounted for as associates and became subsidiaries of the Company since 7th May, 2012.

Group

	Property development and investment		Construction and building related businesses		Hotel operation and management and hotel ownership		Asset management		Financial assets investments		Others		Eliminations		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
Segment assets	12,187.7	6,658.7	40.2	35.7	18,407.8	18,682.7	42.7	44.1	1,235.2	1,659.2	474.3	223.9	(43.6)	(44.3)	32,344.3	27,260.0
Investment in a joint venture	-	251.2	-	-	-	-	-	-	-	-	-	-	-	-	-	251.2
Investments in associates	5.8	12.4	-	-	6.1	6.6	-	-	-	-	20.9	4.5	-	-	32.8	23.5
Cash and unallocated assets															3,039.3	4,610.0
Total assets															35,416.4	32,144.7
Segment liabilities	(63.5)	(714.6)	(75.9)	(33.2)	(359.4)	(335.8)	(1.7)	(1.5)	(10.7)	(6.2)	(56.8)	(16.8)	43.6	44.3	(524.4)	(1,063.8)
Interest bearing bank borrowings and unallocated liabilities															(13,930.9)	(10,175.6)
Total liabilities															(14,455.3)	(11,239.4)
Other segment information:																
Capital expenditure	2,626.5	3,609.6	3.0	0.6	157.2	18,725.6	0.1	-	-	-	102.7	210.1				
Gain on disposal of subsidiaries	(279.2)	-	-	-	-	-	-	-	-	-	-	-				
Reversal of impairment of loans receivable	-	-	-	-	-	-	-	-	-	-	-	(0.5)				
Impairment of trade debtors, net	-	-	-	-	-	0.9	-	-	-	-	-	-				
Impairment of available-for-sale investments (transfer from equity)	-	-	-	-	-	-	-	-	-	1.9	-	-				
Fair value losses on financial assets at fair value through profit or loss, net	-	-	-	-	-	-	-	-	66.6	121.9	-	-				
Fair value losses/(gains) on investment properties	9.0	(43.6)	-	-	(18.0)	(17.0)	-	-	-	-	-	-				
Interest income	(0.8)	(0.4)	-	-	(3.4)	(1.9)	-	-	(13.9)	(6.6)	(3.7)	(0.3)				

Geographical information

(a) Revenue from external customers

	2013	**2012**
	HK$'M	**HK$'M**
Hong Kong	**2,088.2**	1,703.8
Mainland China	**1,506.6**	25.9
Other	**35.7**	10.1
	3,630.5	1,739.8

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

(b) Non-current assets

	2013	**2012**
	HK$'M	**HK$'M**
Hong Kong	**21,517.3**	20,734.0
Mainland China	**1,641.1**	1,660.0
Other	**286.9**	203.9
	23,445.3	22,597.9

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

Information about a major customer

Revenue of approximately HK$1,460.7 million (2012 – HK$286.5 million) was derived from sales to a major customer in the property development and investment segment.

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

	2013 HK$'M	2012 HK$'M
Revenue		
Rental income:		
Hotel properties	**38.5**	20.1
Investment properties	**14.0**	9.3
Properties held for sale	**0.1**	0.5
Aircraft	**35.7**	10.1
Construction and construction-related income	**13.8**	42.8
Proceeds from sale of properties	**1,461.0**	298.4
Estate management fees	**4.3**	4.5
Property development consultancy and project management fees	**0.1**	12.2
Net gain from sale of financial assets at fair value through profit or loss	**7.4**	9.3
Net gain on settlement of derivative financial instruments	**39.7**	–
Interest income from financial assets at fair value through profit or loss	**9.2**	–
Dividend income from listed investments	**18.6**	10.1
Hotel operations and management services	**1,959.8**	1,307.7
Other operations	**28.3**	14.8
	3,630.5	1,739.8

	2013	2012
	HK$'M	**HK$'M**
Other income and gains		
Interest income from:		
Bank balances	**29.8**	23.3
Others	**12.7**	9.4
Dividend income from unlisted investments	**–**	0.1
Fair value gain on available-for-sale investments (transfer from equity on disposal)	**–**	0.4
Forfeiture of deposits	**27.1**	–
Others	**4.6**	2.4
	74.2	35.6

4. Other operating income includes the following major item:

	2013	**2012**
	HK$'M	**HK$'M**
Reversal of impairment of loans receivable	**–**	0.5

5. An analysis of profit on sale of investments and properties of the Group is as follows:

	2013	**2012**
	HK$'M	**HK$'M**
Profit on disposal of financial assets at fair value through profit or loss	**7.4**	9.3
Profit on disposal of available-for-sale investments	**–**	0.4
Profit on settlement of derivative financial instruments	**39.7**	–
Profit on disposal of properties	**136.4**	6.0

6. Finance costs of the Group are as follows:

	2013 HK$'M	2012 HK$'M
Interest on bank loans wholly repayable within five years	**129.5**	88.0
Interest on other borrowings wholly repayable within five years	**156.5**	20.2
Fair value changes on derivative financial instruments – cash flow hedge (transfer from hedge reserve)	**6.1**	1.3
Amortisation of debt establishment costs	**65.0**	18.1
Other loan costs	**5.6**	5.0
	362.7	132.6
Less: Finance costs capitalised	**(102.2)**	(10.6)
	260.5	122.0

7. The income tax charge for the year arose as follows:

	2013 HK$'M	2012 HK$'M
Group:		
Current – Hong Kong		
Charge for the year	**65.9**	50.7
Overprovision in prior years	**(0.8)**	(1.1)
Current – Overseas		
Charge for the year	**53.2**	1.0
Underprovision/(Overprovision) in prior years	**0.2**	(0.8)
Deferred	**(33.6)**	(47.2)
Total tax charge for the year	**84.9**	2.6

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2012 – 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the year.

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

The share of tax attributable to associates amounting to HK$9.3 million (2012 – HK$15.0 million) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

No provision for tax was required for the joint ventures as no assessable profits were earned by the joint ventures during the year (2012 – Nil).

8. Dividends:

	2013	**2012**
	HK$'M	**HK$'M**
Interim – HK0.6 cent (2012 – HK0.55 cent) per ordinary share	**19.3**	17.7
Proposed final – HK2.0 cents (2012 – HK1.9 cents) per ordinary share	**64.2**	61.0
	83.5	78.7

9. The calculation of basic earnings per ordinary share is based on the profit for the year attributable to equity holders of the parent of HK$202.0 million (2012 – HK$1,192.7 million) and on the weighted average of 3,211.7 million (2012 – 3,227.8 million) ordinary shares of the Company in issue during the year.

No adjustment has been made to the basic earnings per ordinary share amount presented for the years ended 31st December, 2013 and 2012 as the Company had no potentially dilutive ordinary shares in issue and therefore no diluting events existed throughout the years.

10. Included in debtors, deposits and prepayments is an amount of HK$132.1 million (2012 – HK$153.2 million) representing the trade debtors of the Group. The aged analysis of such debtors as at the end of the reporting period, based on the invoice date, is as follows:

	2013	**2012**
	HK$'M	**HK$'M**
Outstanding balances with ages:		
Within 3 months	**113.4**	131.5
Between 4 to 6 months	**9.4**	7.1
Between 7 to 12 months	**3.9**	7.2
Over 1 year	**9.3**	11.3
	136.0	157.1
Impairment	**(3.9)**	(3.9)
	132.1	153.2

Credit terms

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

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

11. Included in creditors and accruals is an amount of HK$85.0 million (2012 – HK$84.6 million) representing the trade creditors of the Group. The aged analysis of such creditors as at the end of the reporting period, based on the invoice date, is as follows:

	2013	**2012**
	HK$'M	**HK$'M**
Outstanding balances with ages:		
Within 3 months	**84.2**	83.1
Between 4 to 6 months	**0.3**	1.1
Between 7 to 12 months	**–**	0.1
Over 1 year	**0.5**	0.3
	85.0	84.6

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

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

During the year ended 31st December, 2013, the Company repurchased a total of 2,496,000 ordinary shares of the Company at an aggregate purchase price of HK$1,481,400 on the Stock Exchange. Details of the repurchases of such ordinary shares were as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per ordinary share Highest (HK$)	Price per ordinary share Lowest (HK$)	Aggregate purchase price (HK$)
July 2013	2,496,000	0.610	0.580	1,481,400
Total	2,496,000			1,481,400
		Total expenses on shares repurchased		7,517
			Total	1,488,917

All the above 2,496,000 repurchased ordinary shares were cancelled during the year. The issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole in enhancing the net assets and earnings per share of the Company.

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

REVIEW OF RESULTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st December, 2013, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the year ended 31st December, 2013, except that:

(1) The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

(2) The Independent Non-Executive Directors of the Company were not appointed for specific terms, but in accordance with the provisions of the Bye-laws of the Company, all Directors (including the Independent Non-Executive Directors) of the Company are subject to retirement by rotation at least once every three years, and the retiring Directors are eligible for re-election.

BOARD OF DIRECTORS

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

Executive Directors:
Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman)
Miss LO Po Man
(Vice Chairman)
Mr. Kenneth NG Kwai Kai
(Chief Operating Officer)
Mr. Donald FAN Tung
Mr. Kelvin LEUNG So Po

Independent Non-Executive Directors:
Mr. Anthony CHUANG
Mr. NG Siu Chan
Mr. WONG Chi Keung

By Order of the Board
LO YUK SUI
Chairman

Hong Kong, 31st March, 2014