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DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 271)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the "Board") of Dan Form Holdings Company Limited (the "Company") is pleased to announce the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 HK\$'000	2012 HK\$'000
Revenue	2	47,505	42,538
Other income	3	14,566	1,894
Other (losses)/gains, net	3	(755)	993
Rent and rates		(338)	(291)
Building management fees		(5,750)	(5,311)
Staff costs, including directors' remuneration		(18,213)	(20,085)
Depreciation and amortisation		(6,182)	(5,342)
Repairs and maintenance		(3,129)	(1,399)
Administrative expenses		(9,566)	(9,006)
Change in fair value of investment properties		51,229	163,567
Operating profit	4	69,367	167,558
Share of profits of associates	5	175,672	781,123
Profit before income tax		245,039	948,681
Income tax expenses	6	(10,042)	(24,374)
Profit for the year		234,997	924,307
Dividends	7		
Interim paid		-	12,473
Final proposed		-	12,473
		-	24,946
Earnings per share		HK cents	HK cents
Basic and diluted	8	18.84	74.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 HK\$'000	2012 HK\$'000
Profit for the year	234,997	924,307
Other comprehensive income:		
<i><u>Items that may be reclassified to profit and loss</u></i>		
Surplus on revaluation of buildings	149	-
Available-for-sale financial assets:		
Fair value gain arising during the year	1,709	6,124
Exchange differences	405	705
Other comprehensive income for the year, net of tax	2,263	6,829
Total comprehensive income for the year	237,260	931,136

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	31 December 2013 HK\$'000	31 December 2012 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	95,041	92,164
Investment properties	10	919,067	845,963
Land use rights		25,570	22,451
Associates	11	3,349,111	3,173,439
Available-for-sale financial assets		37,761	36,016
Deposit for acquisition of a property		-	39,531
		<u>4,426,550</u>	<u>4,209,564</u>
Current assets			
Debtors, prepayments, deposits and other receivable	12	11,049	8,724
Amounts due from associates	11	177,144	178,240
Income tax recoverable		-	1,023
Cash and bank balances		325,906	304,561
		<u>514,099</u>	<u>492,548</u>
Total assets		<u>4,940,649</u>	<u>4,702,112</u>
EQUITY			
Share capital		623,649	623,649
Reserves		4,166,373	3,941,586
Total equity		<u>4,790,022</u>	<u>4,565,235</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		118,781	110,962
Current liabilities			
Creditors and accruals	13	25,166	24,604
Amounts due to associates	11	5,524	1,311
Income tax payable		1,156	-
		<u>31,846</u>	<u>25,915</u>
Total liabilities		<u>150,627</u>	<u>136,877</u>
Total equity and liabilities		<u>4,940,649</u>	<u>4,702,112</u>
Net current assets		<u>482,253</u>	<u>466,633</u>
Total assets less current liabilities		<u>4,908,803</u>	<u>4,676,197</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and under the historical cost convention as modified by the revaluation of investment properties and available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group.

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended 31 December 2012, except for those stated otherwise.

Changes in accounting policies and disclosures

(a) New and amended standards

The new and amended standards that are mandatory for the first time for the financial year beginning 1 January 2013 include the following:

HKAS1 (Amendment)	Presentation of Financial Statements
HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS28 (2011)	Associates and Joint Ventures
HKFRS 1	First time adption on government loans
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface time
HKFRS 7 (Amendment)	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 13	Fair Value Measurements
HKFRSs (Amendments)	Improvements to HKFRSs 2011

The adoption of these new standards and amendments to existing standards does not have significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the financial statements except for additional disclosures as required by HKAS 1 Amendment "Presentation of financial statements", HKFRS 12 "Disclosure of interests in other entities", and HKFRS 13 "Fair Value Measurements".

1. BASIS OF PREPARATION (continued)

(b) New and amended standards not yet adopted by the Group

The following standards, amendments to existing standards and interpretation have been issued, but are not effective for the financial year beginning 1 January 2013 and have not been early adopted:

HKAS 19 (Amendment)	Defined benefit plans: Employee contributions ²
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendment)	Recoverable Amount disclosure for Non-Financial Assets ¹
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement - Novation of derivatives ¹
HKFRS 9	Financial Instruments ³
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Amendments to HKFRS 10, HKFRS 12, and HKAS 27 Investment Entities ¹
HK(IFRIC)-Int 21	Levies ¹
Annual Improvements 2011-2015	Improvements to HKFRS ²

¹ Effective for the Group for annual periods beginning on or after 1 January 2014

² Effective for the Group for annual periods beginning on or after 1 July 2014

³ Effective for the Group for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application and is not yet in a position to state whether these new and revised HKFRSs have any significant impact on the Group's result of operations and financial position.

2. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, is shown as follows:

	2013 HK\$'000	2012 HK\$'000
Rental from investment properties	35,353	29,806
Estate management fees	10,952	11,682
Dividend from unlisted investments	1,200	1,050
	<u>47,505</u>	<u>42,538</u>

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board of Directors regards the Group's business as a single operating segment, which is property rental and estate management and reviews financial information accordingly. Therefore, no segment analysis of the Group's revenue and contribution to operating profit is presented.

The total of non-current assets other than associates and available-for-sale financial assets located in Hong Kong is HK\$1,006,412,000 (2012: HK\$966,064,000), and the total of non-current assets located in Mainland China is HK\$33,266,000 (2012: HK\$34,045,000).

3. OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	2013 HK\$'000	2012 HK\$'000
<u>Other income</u>		
Interest income	2,052	1,868
Write-back of provision for doubtful debt (Note)	12,448	-
Others	66	26
	<u>14,566</u>	<u>1,894</u>
<u>Other (losses)/gains, net</u>		
Net exchange gains	1,333	1,162
(Loss)/gain on disposal of investment properties	(1,974)	187
Loss on disposal of property, plant and equipment	(114)	(356)
	<u>(755)</u>	<u>993</u>

Note:

During the year ended 31 December 2013, a cash distribution in respect of the associate, Beijing Jing Yuan Property Development Company, Limited ("Jing Yuan"), was approved in the Board of Directors meeting of Jing Yuan. Accordingly, the provision for doubtful debt on Jing Yuan was written back to the consolidated income statement for the year ended 31 December 2013, to the extent of the distribution.

4. OPERATING PROFIT

	2013 HK\$'000	2012 HK\$'000
Operating profit is arrived at after charging:		
Direct operating expenses of investment properties that generate rental income	9,140	7,127
Direct operating expenses of investment properties that did not generate rental income	252	302
Loss on disposal of property, plant and equipment	115	355
Auditor's remuneration		
-Audit services	1,030	980
-Non-audit services	85	85
	<u>1,300</u>	<u>1,407</u>

5. SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates include the following:

	2013 HK\$'000	2012 HK\$'000
Change in fair value of investment properties (Note)	181,633	898,533
Taxation	(29,969)	(159,316)
	<u>151,664</u>	<u>739,217</u>

Note:

An independent valuation of the Group's investment properties were performed by DTZ Debenham Tie Leung Limited, independent professional qualified surveyors, to determine the fair values of the investment properties as at 31 December 2013 and 2012 based on current prices in an active market for the properties.

6. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year. Taxation on profits generated in Mainland China has been provided at the rate of taxation prevailing in Mainland China.

The amount of income tax charged to the consolidated income statement represents:

	2013 HK\$'000	2012 HK\$'000
Current income tax		
Hong Kong	2,260	918
Mainland China	-	17
Deferred income tax	7,782	23,439
	<u>10,042</u>	<u>24,374</u>

7. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Interim dividend paid of HK\$Nil (2012: HK1 cent) per ordinary share	-	12,473
Proposed final dividend of HK\$Nil (2012: HK1 cent) per ordinary share	-	12,473
	<u>-</u>	<u>24,946</u>

The board of directors do not recommend the payment of a final dividend (2012: HK1 cent per ordinary share).

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the year is based on the following:

	2013 HK\$'000	2012 HK\$'000
Profit attributable to equity shareholders	<u>234,997</u>	<u>924,307</u>
Weighted average number of shares for calculating basic earnings per share ('000)	<u>1,247,299</u>	<u>1,247,299</u>
Basic earnings per share (HK cents)	<u>18.84</u>	<u>74.10</u>

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$234,997,000 (2012: profit of HK\$924,307,000) and the weighted average number of 1,247,298,945 ordinary shares in issue during the year (2012: 1,247,298,945).

The diluted earnings per share equals the basic earnings per share since there are no dilutive potential shares in issue during both years.

9. **PROPERTY, PLANT AND EQUIPMENT**

	2013 HK\$'000	2012 HK\$'000
Net book value at 1 January	92,164	94,484
Additions	43,972	1,727
Transfer from investment properties	1,701	1,535
Transfer to investment properties	(37,000)	-
Surplus on revaluation	149	-
Depreciation	(5,828)	(5,227)
Disposal	(117)	(355)
	<u>95,041</u>	<u>92,164</u>
Net book value at 31 December	<u>95,041</u>	<u>92,164</u>

10. **INVESTMENT PROPERTIES**

	2013 HK\$'000	2012 HK\$'000
Net book value at 1 January	845,963	717,337
Disposal	(10,675)	(26,000)
Transfer to property, plant and equipment	(1,701)	(1,535)
Transfer to land use rights	(2,830)	(7,366)
Transfer from property, plant and equipment	37,000	-
Change in fair value	51,229	163,567
Currency translation differences	81	(40)
	<u>919,067</u>	<u>845,963</u>
Net book value at 31 December	<u>919,067</u>	<u>845,963</u>

An independent valuation of the Group's investment properties were performed by DTZ Debenham Tie Leung Limited, independent professional qualified surveyors, to determine the fair values of the investment properties as at 31 December 2013 and 2012 based on current prices in an active market for the properties.

11. **ASSOCIATES**

	2013 HK\$'000	2012 HK\$'000
Share of net assets	<u>3,349,111</u>	<u>3,173,439</u>
Amounts due from associates	274,450	284,813
Less: provisions	(97,306)	(106,573)
	<u>177,144</u>	<u>178,240</u>
Amounts due to associates	<u>5,524</u>	<u>1,311</u>

The amounts due from/to associates are unsecured, interest free and repayable on demand.

12. **DEBTORS, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	2013 HK\$'000	2012 HK\$'000
Trade debtors	2,590	1,763
Other debtors	5,420	5,045
Prepayments and deposits	3,039	1,916
	<u>11,049</u>	<u>8,724</u>

Trade debtors represent rentals and estate management fees receivable and are receivable on presentation of invoices. As at 31 December 2013, trade debtors of HK\$2,590,000 (2012: HK\$1,763,000) were past due but not considered impaired. These debtors relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade debtors of the Group based on invoices date is as follows:

	2013 HK\$'000	2012 HK\$'000
Within 30 days	2,493	1,732
31 to 60 days	55	-
61 to 90 days	1	-
Over 90 days	41	31
	<u>2,590</u>	<u>1,763</u>

13. **CREDITORS AND ACCRUALS**

	2013 HK\$'000	2012 HK\$'000
Trade creditors	326	273
Other creditors and deposits	18,066	18,258
Accrued operating expenses	6,774	6,073
	<u>25,166</u>	<u>24,604</u>

The ageing analysis of trade creditors of the Group is as follows:

	2013 HK\$'000	2012 HK\$'000
Within 30 days	<u>326</u>	<u>273</u>

RESULTS

The Group recorded a revenue of HK\$47,505,000 for the year ended 31 December 2013, which represented an increase of approximately HK\$4,967,000 or 12% as compared with last year. The increase in revenue was mainly due to increase in rental income from investment properties.

The Group's profit attributable to equity holders in this year was HK\$234,997,000, as compared to profit of HK\$924,307,000 in last year. The decrease in profit of HK\$689,310,000 or 75% was mainly attributable to decrease in fair value of investment properties held by the Group and its associates.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: HK\$0.01 per share).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

Hong Kong Business

Property

The Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 98% and the properties rental income was performed satisfactory.

The Group's residential properties situated at Red Hill Peninsula held by an associate (33.33% owned) recorded an average occupancy level of approximately 30%. During the year, the Group's net rental income at Red Hill Peninsula from the associate decreased because from May 2012, the Group and its associates have stopped leasing the residential properties at Redhill Peninsula which have been offered for sale. For the year ended 31 December 2013, one apartment was sold out because of the Government imposition of restrictions on buyers to purchase residential properties. As from April 2013 onwards, the Group and its associates have started leasing the Redhill Peninsula properties again and the properties will also be offered for sale. It is expected that the average occupancy level of the properties at Red Hill Peninsula will be increased in the year 2014.

The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.3% owned) recorded an average occupancy level of approximately 87% and the properties have been improving in leasing out.

Beijing Business

The Wangfujing Project

Dan Yao Building (85% owned)

For the first half year of 2013, the liquidator for Beijing Dan Yao Property Co., Ltd ("Dan Yao") and the Real Estate Office of Beijing have signed a supplementary agreement and the liquidator for Dan Yao has paid a land grant fee of RMB21,700,000 (approximately HK\$27,468,000) to the Real Estate Office of Beijing according to the agreement. Up to 31 December 2013, the Real Estate Office of Beijing has issued the confirmation of receipt of land grant fee, and the liquidator for Dan Yao has submitted documents to apply for the remainder of the legal title and the land use rights of the property of Dan Yao Building, which will be transferred to the buyer after payment of the land grant fee.

Completion of liquidation of Dan Yao will depend on the time to complete the above formalities.

The Xidan Project (29.4% owned)

In the year of 2013, according to the decision made to the Board of Directors of Beijing Jing Yuan Property Development Company, Limited ("Jing Yuan"), and based on the book value of available funds of Jing Yuan, Jing Yuan can use 50% of the available funds of RMB33,580,000 (approximately HK\$42,506,000) to repay part of the debts due to all creditors in proportion to total debts due to them. Accordingly, in May 2013 the Group's wholly-owned subsidiary Keen Safe Investment Limited has received the repayment of RMB 9,834,000 (approximately HK\$12,448,000).

As Jing Yuan has submitted an application to the court for liquidation and the court has delayed to reply, and in order to safeguard shareholders of Jing Yuan, the Board of Directors has agreed, in accordance with the principle of legal compliance, to proceed self-liquidation when appropriate and Jing Yuan has begun the preparatory work of self-liquidation.

GROUP ASSETS POSITION AND CHARGE

The total assets of the Group have increased from HK\$4,702,112,000 last year to HK\$4,940,649,000 in this year. The net assets of the Group have also increased from HK\$4,565,235,000 to HK\$4,790,022,000. At 31 December 2013, the investment properties of the Group in Hong Kong of HK\$833,300,000 were pledged as securities for banking facilities. The Group has no bank loan, but will undergo a discussion with the bank for the renewal of banking facilities and the bank has agreed to provide banking facilities if necessary.

GROUP FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The total liabilities of the Group have increased from HK\$136,877,000 as at 31 December 2012 to HK\$150,627,000 as at 31 December 2013. The Group had cash and bank balances of HK\$325,906,000 as at 31 December 2013 (2012: HK\$304,561,000). The ratio of total liabilities to total assets was approximately 3% (2012: 3%). As at 31 December 2013, the Group had no bank loans (2012: Nil) and the total equity was HK\$4,790,022,000 (2012: HK\$4,565,235,000).

As at 31 December 2013, the current assets of the Group, amounting to HK\$514,099,000 (2012: HK\$492,548,000), exceeded its current liabilities by HK\$482,253,000 (2012: HK\$466,633,000).

For the year ended 31 December 2013, the Group had no material exposure to fluctuations in exchange rates and related hedges and there were no contingent liabilities.

EMPLOYEES

As at 31 December 2013, the Group, excluding associates, employed 53 (2012:52) people of which 42 (2012:43) were employed in Hong Kong.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme. Employees in the Mainland China are provided with medical insurance, elderly insurance, loss of job insurance, injury insurance and provident fund for housing. Some of them are also provided with birth insurance.

PROSPECTS

As the new technology revolution is evolving and the global political, economical and social environments are uncertain, China has vigorously pushed forward reforms and deep structural organisation adjustments. It is noted that opportunities and risks are both existing.

The Group is continuing to carry out its principal business on the one hand, and, on the other hand, is now cautiously and actively in pursuit of a new business by using mobile internet to develop the golf play with social communication.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, Mr. Jesse Nai Chau Leung, Dr. Xiang Bing and Mr. Edward Shen. During the year, the Audit Committee has discussed financial reporting matters with management, including the review of the Group's financial reporting process, the adequacy and effectiveness of the system of internal control of the Group, and the interim and annual financial statements of the Group.

The annual results of the Group for the year ended 31 December 2013 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

During the year ended 31 December 2013, the Company has complied with all code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except with a deviation from Code Provision A.2.1 whereby, due to the current situation, the Group has no separation of the role of the chairman and chief executive. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. It is the best interest of the Group to have Mr. Dai Xiaoming remained to be the chairman and chief executive, and a deviation from Code Provision A.6.7, where independent non-executive directors and other non-executive directors should also attend general meetings. One of the independent non-executive Directors and the non-executive Director of the Company were unable to attend the annual general meeting of the Company held on 24 May 2013 as they were both in overseas due to having business trips.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the draft consolidated financial statements of the Group for the year. The work performed by PricewaterhouseCoopers 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2014 Annual General Meeting of the shareholders of the Company will be held at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong on Friday, 16 May 2014 at 10:00 a.m. and the Notice of Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules of the Stock Exchange in due course.

By Order of the Board
Dai Xiaoming
Chairman

Hong Kong, 28 March 2014

As at the date of this announcement, the Board comprised Mr. Dai Xiaoming as Executive Director, Mr. Kenneth Hiu King Kon as a Non-Executive Director, and Mr. Jesse Nai Chau Leung, Dr. Xiang Bing and Mr. Edward Shen as Independent Non-Executive Directors.

This final results announcement is published on the website of the Company (www.danform.com.hk) and the designated issuer website of the Stock Exchange (www.hkexnews.hk). The Annual Report 2013 containing all the information required by the Listing Rules will be dispatched to shareholders and made available on the above websites around mid of April 2014.