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## **COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

### **ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2014**

The board of directors (the “Directors”) of COL Capital Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 30 June 2014 together with comparative figures for the year ended 30 June 2013 (as restated) are as follows:–

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*FOR THE YEAR ENDED 30 JUNE 2014*

	<i>NOTES</i>	<b>2014</b> <i>HK\$'000</i>	<b>2013</b> <i>HK\$'000</i> (restated)
<b>Continuing operations</b>			
Revenue	2	<b>131,987</b>	34,204
Gross proceeds from sale of investments held for trading		<u><b>1,077,695</b></u>	<u>662,420</u>
Total		<u><b>1,209,682</b></u>	<u>696,624</u>
Revenue	2	<b>131,987</b>	34,204
Other gains and losses	4	<b>1,066,033</b>	(17,256)
Other income	5	<b>9,864</b>	7,018
Administrative expenses		<b>(73,122)</b>	(27,473)
Finance costs		<b>(120,855)</b>	(77,959)
Other expenses		<b>(15,675)</b>	(9,078)
Share of results of associates, net of impairment on interest in an associate		<u><b>30,749</b></u>	<u>(624,814)</u>
Profit (loss) before taxation		<b>1,028,981</b>	(715,358)
Taxation expense	6	<u><b>(1,072)</b></u>	<u>(3,985)</u>
Profit (loss) for the year from continuing operations		<b>1,027,909</b>	(719,343)

	<i>NOTES</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i> (restated)
<b>Discontinuing operations</b>			
Loss for the year from discontinuing operations	7	<u>(170,079)</u>	<u>(89,445)</u>
Profit (loss) for the year	8	<u><b>857,830</b></u>	<u>(808,788)</u>
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		<b>1,032,392</b>	(718,250)
– from discontinuing operations		<u>(104,484)</u>	<u>(62,469)</u>
Profit (loss) for the year attributable to owners of the Company		<u><b>927,908</b></u>	<u>(780,719)</u>
Loss for the year attributable to non-controlling interests			
– from continuing operations		<b>(4,483)</b>	(1,093)
– from discontinuing operations		<u>(65,595)</u>	<u>(26,976)</u>
Loss from the year attributable to non-controlling interests		<u>(70,078)</u>	<u>(28,069)</u>
		<u><b>857,830</b></u>	<u>(808,788)</u>

	<i>NOTE</i>	<b>2014</b> <b>HK\$</b>	2013 <i>HK\$</i> (restated)
Earnings (loss) per share	<i>10</i>		
From continuing and discontinuing operations			
– Basic		<u><b>1.73</b></u>	<u>(1.44)</u>
– Diluted		<u><b>1.73</b></u>	<u>(1.44)</u>
From continuing operations			
– Basic		<u><b>1.92</b></u>	<u>(1.32)</u>
– Diluted		<u><b>1.92</b></u>	<u>(1.32)</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 JUNE 2014*

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000 (restated)
Profit (loss) for the year	<u><b>857,830</b></u>	<u>(808,788)</u>
Other comprehensive expense		
Items that will be reclassified subsequently to profit or loss:		
Net (loss) gain on available-for-sale investments:		
Gain on fair value changes	<b>24,696</b>	14,119
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	<b>(125,946)</b>	(745)
Share of changes in other comprehensive income (expense) of associates	<u><b>3,048</b></u>	<u>(5,424)</u>
	<u><b>(98,202)</b></u>	<u>7,950</u>
Exchange difference arising on translation:		
Exchange gain arising from translation of foreign operation	<b>12,136</b>	7,673
Share of changes in other comprehensive income (expense) of associates	<b>20,306</b>	(83,666)
Reclassification adjustment – transfer translation reserve to profit or loss upon deemed disposal of an associate	<u>–</u>	<u>(18,634)</u>
	<u><b>32,442</b></u>	<u>(94,627)</u>
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of leasehold land and buildings	<u><b>1,000</b></u>	<u>3,740</u>
Other comprehensive expense for the year	<u><b>(64,760)</b></u>	<u>(82,937)</u>
Total comprehensive income (expense) for the year	<u><b>793,070</b></u>	<u>(891,725)</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	<b>864,896</b>	(865,632)
Non-controlling interests	<u><b>(71,826)</b></u>	<u>(26,093)</u>
	<u><b>793,070</b></u>	<u>(891,725)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

	<i>NOTES</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Non-current assets			
Investment properties		<b>213,660</b>	208,112
Property, plant and equipment		<b>17,478</b>	1,451,117
Prepaid lease payments		–	65,426
Interests in associates		<b>408,316</b>	273,037
Available-for-sale investments		<b>746</b>	126,819
Intangible assets		–	16,713
Deposits for acquisition of property, plant and equipment		–	22,980
		<u>–</u>	<u>22,980</u>
		<b>640,200</b>	2,164,204
		<u>640,200</u>	<u>2,164,204</u>
Current assets			
Inventories		–	16,496
Properties under development for sale		–	851,165
Properties held for sale		–	82,579
Prepaid lease payments		–	1,597
Available-for-sale investments		<b>167,993</b>	204,720
Investments held for trading		<b>1,540,273</b>	957,197
Debtors, deposits and prepayments	<i>11</i>	<b>116,667</b>	184,396
Loans receivable		<b>202,103</b>	103,761
Taxation recoverable		–	34,316
Derivative financial instruments		<b>11,447</b>	–
Pledged bank deposits		<b>2,944</b>	265,423
Restricted bank deposits		–	2,376
Bank balances and cash		<b>517,837</b>	309,509
		<u>517,837</u>	<u>309,509</u>
		<b>2,559,264</b>	3,013,535
Assets classified as held for sale	<i>12</i>	<b>2,940,217</b>	107,578
		<u>2,940,217</u>	<u>107,578</u>
		<b>5,499,481</b>	3,121,113
		<u>5,499,481</u>	<u>3,121,113</u>

	<i>NOTES</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Current liabilities</b>			
Creditors and accrued charges	<i>13</i>	<b>106,055</b>	332,621
Deposits received on sales of properties		–	274,028
Customers' deposits and receipts in advance		<b>3,387</b>	27,798
Consideration payable		–	88,472
Amount due to an associate		–	8,060
Borrowings – due within one year		<b>1,275,690</b>	2,173,222
Obligations under finance leases – due within one year		–	43,743
Derivative financial instruments		<b>3,873</b>	44,656
Taxation payable		<b>68,759</b>	79,721
Bonds		<b>247,000</b>	–
		<b>1,704,764</b>	3,072,321
Liabilities associated with assets held for sale	<i>12</i>	<b>2,099,990</b>	–
		<b>3,804,754</b>	3,072,321
Net current assets		<b>1,694,727</b>	48,792
Total assets less current liabilities		<b>2,334,927</b>	2,212,996
<b>Non-current liabilities</b>			
Deferred tax liabilities		–	111,609
Borrowings – due after one year		<b>70,000</b>	290,661
Obligations under financial leases – due after one year		–	72,789
Bonds		–	247,000
		<b>70,000</b>	722,059
		<b>2,264,927</b>	1,490,937
<b>Capital and reserves</b>			
Share capital		<b>5,311</b>	5,423
Reserves		<b>1,817,659</b>	977,736
Equity attributable to owners of the Company		<b>1,822,970</b>	983,159
Non-controlling interests		<b>441,957</b>	507,778
Total equity		<b>2,264,927</b>	1,490,937

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit (loss) before taxation		
– continuing operations	<b>1,028,981</b>	(715,358)
– discontinued operations	<b>(130,656)</b>	(99,307)
	<b>898,325</b>	(814,665)
Adjustments for:		
Interest income	<b>(12,851)</b>	(8,399)
Depreciation of property, plant and equipment	<b>89,894</b>	60,097
Loss (gain) on disposal of property, plant and equipment	<b>162</b>	(3,963)
Interest expense	<b>183,128</b>	137,025
Cumulative gain reclassified from equity on disposal of available-for-sale investments	<b>(125,946)</b>	(745)
Change in fair value of investments held for trading	<b>(434,627)</b>	202,322
Fair value changes on investment properties	<b>(11,498)</b>	(57,589)
Share of results of associates, net of impairment on interest in an associate	<b>(21,750)</b>	624,814
Gain on partial disposal of associates	–	(466)
Impairment loss recognised on other receivables	<b>6,784</b>	4,887
Gain on deemed acquisition of an associate	<b>(67,116)</b>	–
Gain on early repayment from a loan receivable	<b>(32,981)</b>	–
Gain on deemed disposal of an associate	–	(34,794)
Discount on acquisition of subsidiaries	–	(27,541)
Change in fair value of derivative financial instruments	<b>(52,230)</b>	31,563
Release of prepaid lease payments	<b>3,107</b>	1,524
Amortisation for intangible assets	<b>842</b>	619
Share-based payment expense	<b>6,005</b>	–

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Operating cash flow before movements in working capital	<b>429,248</b>	114,689
(Increase) decrease in inventories	<b>(2,221)</b>	2,411
Decrease in properties under development for sale and properties for sale	<b>97,277</b>	71,378
Increase in investments held for trading	<b>(149,057)</b>	(36,317)
(Increase) decrease in debtors, deposits and prepayments	<b>(29,771)</b>	99,553
(Increase) decrease in loans receivable	<b>(65,361)</b>	455,080
Increase (decrease) in creditors and accrued charges	<b>70,962</b>	(9,508)
(Decrease) increase in deposits received on sale of properties	<b>(84,774)</b>	18,910
Increase in customers' deposits and receipts in advance	<b>1,992</b>	2,976
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Cash used from operating activities	<b>268,295</b>	719,172
Interest paid	<b>(192,390)</b>	(163,759)
Tax paid	<b>(41,742)</b>	(33,518)
	<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>34,163</b>	521,895
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of available-for-sale investments	<b>188,104</b>	888
Placement of pledged bank deposits/restricted bank deposits	<b>(1,160,459)</b>	(48,122)
Withdrawal of pledged bank deposits/restricted bank deposits	<b>1,112,612</b>	68,004
Interest received	<b>12,851</b>	8,399
Deposits paid for acquisition of property, plant and equipment	–	(22,980)
Proceeds from disposal of investment properties	–	8,704
Purchases of available-for-sale investments	–	(78,269)
Purchases of property, plant and equipment	<b>(26,020)</b>	(31,950)
Proceeds from disposal of property, plant and equipment	<b>4,081</b>	107,725
Acquisition of subsidiaries	–	131,908
Acquisition of additional interests in an associate	–	(39,140)
Capital injection into associates	<b>(30,277)</b>	–
Proceeds from partial disposal of associates	–	908
	<hr/>	<hr/>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>100,892</b>	106,075
	<hr/>	<hr/>



	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>FINANCING ACTIVITIES</b>		
Proceeds from disposal of shareholding in a subsidiary without losing control	–	125,000
New borrowings raised	<b>1,942,126</b>	1,814,100
Repayments of borrowings	<b>(1,702,176)</b>	(2,555,860)
Repurchase of shares	<b>(25,085)</b>	(2,400)
Repayments of obligations under finance leases	<b>(42,540)</b>	(30,340)
Proceeds of the issuance of bonds	–	247,000
	<u>–</u>	<u>247,000</u>
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b><u>172,325</u></b>	<b><u>(402,500)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>307,380</b>	225,470
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES</b>	<b>15,880</b>	10,032
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b><u>309,509</u></b>	<b><u>74,007</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b><u><u>632,769</u></u></b>	<b><u><u>309,509</u></u></b>
Represented by:		
Bank balances and cash	<b>517,837</b>	309,509
Bank balances and cash included in assets classified as held for sale	<b><u>114,932</u></b>	<u>–</u>
	<b><u><u>632,769</u></u></b>	<b><u><u>309,509</u></u></b>

## 1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRSs (Amendments)	Annual improvements to HKFRSs 2009 – 2011 cycle
HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures

Except as described below, the application of the other new and revised HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

### **Amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities**

The Group has applied the amendments to HKFRS 7 “Disclosures – Offsetting financial assets and financial liabilities” for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

- (a) recognised financial instruments that are set off in accordance with HKAS 32 “Financial instruments: Presentation”; and
- (b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported in the Group’s consolidated financial statements but has resulted in more disclosures in the Group’s consolidated financial statements.

## HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

## HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 9 and HKFRS7	Mandatory effective date of HKFRS 9 and transition disclosures <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities <sup>1</sup>
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations <sup>5</sup>
HKFRS 9	Financial instruments <sup>6</sup>
HKFRS 15	Revenue from contracts with customers <sup>5</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation <sup>4</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plant <sup>4</sup>
Amendments to HKAS 19	Defined benefit plans: Employees contributions <sup>2</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>4</sup>

Amendments to HKAS 32	Offsetting financial assets and financial liabilities <sup>1</sup>
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets <sup>1</sup>
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting <sup>1</sup>
Amendments to HKFRSs	Annual improvement to HKFRSs 2010 – 2012 cycle <sup>3</sup>
Amendments to HKFRSs	Annual improvement to HKFRSs 2011 – 2013 cycle <sup>2</sup>
HK(IFRIC) – INT 21	Levies <sup>1</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2014.

<sup>2</sup> Effective for accounting periods beginning on or after 1 July 2014.

<sup>3</sup> Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.

<sup>4</sup> Effective for accounting periods beginning on or after 1 January 2016.

<sup>5</sup> Effective for accounting periods beginning on or after 1 January 2017.

<sup>6</sup> Effective for accounting periods beginning on or after 1 January 2018.

## HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future will affect the classification and measurement in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

### **Amendments to HKAS 32 Offsetting financial assets and financial liabilities**

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and ‘simultaneous realisation and settlement’.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements.

The directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

In addition, the annual report requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

## **2. REVENUE**

	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(restated)
<b>Continuing operations</b>		
Dividend income from listed investments	<b>26,650</b>	14,596
Interest income from loans receivable	<b>101,332</b>	15,726
Rental income	<b>4,005</b>	3,882
	<b>131,987</b>	34,204

## **3. SEGMENT INFORMATION**

Information regularly reviewed by the chief operating decision maker, represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on the types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group.

The Group is organised into five operating and reportable segments as follows:

Securities trading and investments – trading of securities in Hong Kong and overseas markets.

Financial services – provision of financial services.

Property investment – leasing of residential and office properties.

Property development – developing and selling of properties and land in the People’s Republic of China (“the PRC”).

Hospital – operations of hospitals in the PRC.

During the year ended 30 June 2014, property development and hospital segments are discontinued as a result of the proposed disposal of Lianyungang Jiatai Construction Co., Ltd. 連雲港嘉泰建設工程有限公司 (“Jiatai Construction” and formerly known as Jiatai Tongren (Lianyungang) Healthcare Investment Ltd. 嘉泰同仁(連雲港)醫療產業投資有限公司). Accordingly, the segment information reported below does not include financial information in respect of these discontinuing operations, which are described in more details in note 7, and the comparative figures in the segment information for the year ended 30 June 2013 have been restated.

### Segment revenues and results

The following is an analysis of the Group’s revenue and results by operating and reportable segment.

#### *For the year ended 30 June 2014*

#### Continuing operations

	<b>Securities trading and investments HK\$’000</b>	<b>Financial services HK\$’000</b>	<b>Property investment HK\$’000</b>	<b>Consolidated HK\$’000</b>
Gross proceeds from sale of investments held for trading	<u>1,077,695</u>	<u>–</u>	<u>–</u>	<u>1,077,695</u>
Revenue	<u>26,650</u>	<u>101,332</u>	<u>4,005</u>	<u>131,987</u>
Segment profit	<u>906,834</u>	<u>72,654</u>	<u>14,184</u>	<u>993,672</u>
Other income				2,189
Net foreign exchange gain				6,529
Gain on deemed acquisition in interests in an associate				67,116

	<b>Securities trading and investments <i>HK\$'000</i></b>	<b>Financial services <i>HK\$'000</i></b>	<b>Property investment <i>HK\$'000</i></b>	<b>Consolidated <i>HK\$'000</i></b>
Central corporate expenses				(50,648)
Share of results of associates				263,388
Impairment loss recognised on interest in an associate				(232,639)
Finance costs				<u>(20,626)</u>
Profit before taxation				<u><u>1,028,981</u></u>

**For the year ended 30 June 2013 (restated)**

**Continuing operations**

	<b>Securities trading and investments <i>HK\$'000</i></b>	<b>Financial services <i>HK\$'000</i></b>	<b>Property investment <i>HK\$'000</i></b>	<b>Consolidated <i>HK\$'000</i></b>
Gross proceeds from sale of investments held for trading	<u>662,420</u>	<u>–</u>	<u>–</u>	<u>662,420</u>
Revenue	<u>14,596</u>	<u>15,726</u>	<u>3,882</u>	<u>34,204</u>
Segment (loss) profit	<u>(189,014)</u>	<u>9,558</u>	<u>59,415</u>	(120,041)
Other income				931
Net foreign exchange gain				172
Central corporate expenses				(15,968)
Gain on partial disposal of associates				466
Gain on deemed disposal of associates				34,794
Discount on acquisition of subsidiaries				27,541
Share of results of associates				(624,814)
Finance costs				<u>(18,439)</u>
Loss before taxation				<u><u>(715,358)</u></u>

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned/losses incurred by each segment without allocation of certain other income, certain net foreign exchange gain, central corporate expenses, discount on acquisition of subsidiaries, gain on deemed acquisition of an associate, gain on deemed disposal of associates, gain on partial disposal of associates, share of results of associates, impairment loss recognised on interest in an associate, and certain finance costs. This is the measure reported to the Company's executive directors for the purpose of resource allocation and assessment.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

**At 30 June 2014**

	<b>Securities trading and investments <i>HK\$'000</i></b>	<b>Financial services <i>HK\$'000</i></b>	<b>Property investment <i>HK\$'000</i></b>	<b>Consolidated <i>HK\$'000</i></b>
Segment assets	1,756,386	257,269	213,821	2,227,476
Interests in associates				408,316
Corporate assets				563,672
Assets classified as held for sale				<u>2,940,217</u>
Consolidated assets				<u><u>6,139,681</u></u>
Segment liabilities	891,035	526,917	948	1,418,900
Corporate liabilities				355,864
Liabilities associated with assets held for sale				<u>2,099,990</u>
Consolidated liabilities				<u><u>3,874,754</u></u>



**At 30 June 2013**

	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Hospital <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	1,344,498	106,398	208,275	996,422	1,580,343	4,235,936
Interests in associates						273,037
Corporate assets						668,766
Assets classified as held for sale						<u>107,578</u>
Consolidated assets						<u><u>5,285,317</u></u>
Segment liabilities	1,214,100	70,307	948	719,362	657,413	2,662,130
Corporate liabilities						<u>1,132,250</u>
Consolidated liabilities						<u><u>3,794,380</u></u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, interests in associates, deposits and prepayments, taxation recoverable, assets classified as held for sale, pledged bank deposits and certain bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than certain creditors and accrued charges, consideration payable, certain borrowings, deferred tax liabilities, taxation payable, amount due to an associate, bonds and liabilities associated with assets held for sale.

#### 4. OTHER GAINS AND LOSSES

	2014 HK\$'000	2013 HK\$'000 (restated)
<b>Continuing operations</b>		
Gain (loss) in fair value of investments held for trading <i>(Note a)</i>	765,476	(152,682)
Gain in fair value of derivative financial instruments <i>(Note b)</i>	69,454	16,645
Net gain on disposal of available-for-sale investments	125,946	745
Impairment loss recognised on other receivables	(4,540)	(4,887)
Fair value changes on investment properties	11,498	57,589
Net foreign exchange (loss) gain	(1,855)	2,533
Gain on partial disposal of associates	–	466
Gain on deemed disposal of an associate	–	34,794
Discount on acquisition of subsidiaries	–	27,541
Gain on deemed acquisition of an associate	67,116	–
Gain on early repayment from a loan receivable	32,981	–
Loss on disposal of property, plant and equipment	(43)	–
	<u>1,066,033</u>	<u>(17,256)</u>

*Notes:*

- (a) Net realised gain of approximately HK\$330,849,000 (2013: net realised gain of HK\$49,640,000) on disposal of investments held for trading is included in change in fair value of investments held for trading.
- (b) Net realised gain of approximately HK\$61,880,000 (2013: net realised gain of HK\$61,301,000) on derivative financial instruments is included in change in fair value of derivative financial instruments.

#### 5. OTHER INCOME

	2014 HK\$'000	2013 HK\$'000 (restated)
<b>Continuing operations</b>		
Interest income from:		
– Available-for-sale debt instruments	4,285	3,314
– Bank deposits	<u>2,109</u>	<u>931</u>
	6,394	4,245
Others	<u>3,470</u>	<u>2,773</u>
	<u>9,864</u>	<u>7,018</u>

## 6. TAXATION EXPENSE

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (restated)
<b>Continuing operations</b>		
Current tax credit (charge):		
Over (under)provision of Hong Kong Profits Tax in previous years	1,374	(2,934)
Enterprise Income Tax (“EIT”) in the PRC	(638)	(1,051)
Withholding tax in Australia	<u>(1,808)</u>	<u>—</u>
	<u><b>(1,072)</b></u>	<u><b>(3,985)</b></u>

## 7. DISCONTINUING OPERATIONS

During the year ended 30 June 2014, the Group has negotiating with the purchasers to dispose of the Group’s entire interest in Jiatai Construction after receiving a non-binding offer from the potential purchasers as disclosed in the Company’s announcement dated 22 May 2014. On 21 July 2014, the Company entered into an agreement with the purchasers pursuant to which the Company conditionally agreed to sell its entire interests in Exceptional Talent Limited (representing its entire 60.52% issued share capital) at a total consideration of HK\$944,944,150 to the purchasers. The principal assets of Exceptional Talent Limited after the group reorganisation is its entire interest in Jaitai Construction. Details of the disposal are set out in the Company’s announcement dated 6 August 2014. The directors consider the disposal is highly probable and Jiatai Construction will be disposed of within 1 year from the end of reporting period. Jiatai Construction and its subsidiaries (all together the “Jiatai Group”) are engaged in property development and hospital operations in the PRC. Therefore, the property development and hospital operations in the PRC are considered as discontinuing operations in accordance to HKFRS 5 “Non-current assets held for sale and discontinued operations”.

The results of and loss from the discontinuing operations for the years ended 30 June 2014 and 2013 are analysed as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Revenue ( <i>Note a</i> )	<b>964,416</b>	601,707
Cost of goods and services	<u><b>(895,940)</b></u>	<u>(572,949)</u>
Gross profit	<b>68,476</b>	28,758
Other income and other gains and losses	<b>10,036</b>	15,346
Selling and distribution costs	<b>(3,750)</b>	(3,554)
Administrative expenses	<b>(134,146)</b>	(80,791)
Finance costs	<b>(62,273)</b>	(59,066)
Share of results of an associate	<u><b>(8,999)</b></u>	<u>–</u>
Loss before taxation	<b>(130,656)</b>	(99,307)
Taxation (expense) credit ( <i>Note e</i> )	<u><b>(39,423)</b></u>	<u>9,862</u>
Loss for the year ( <i>Note d</i> )	<u><b>(170,079)</b></u>	<u>(89,445)</u>

The carrying amount of the assets and liabilities of the discontinuing operations are disclosed in note 12.

*Notes:*

(a) Revenue represents the followings:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hospital fees and charges	<b>636,716</b>	393,058
Revenue from sale of properties	<u><b>327,700</b></u>	<u>208,649</u>
	<u><b>964,416</b></u>	<u>601,707</u>

- (b) The following is an analysis of the Jiatai Group's revenue and results by its operating and reportable segment:

**For the year ended 30 June 2014**

	<b>Hospital</b> <i>HK\$'000</i>	<b>Property development</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
Revenue	<u>636,716</u>	<u>327,700</u>	<u>964,416</u>
Segment (loss) profit	<u>(47,171)</u>	<u>823</u>	(46,348)
Other income and other gains and losses			7,524
Central corporate expenses			(40,200)
Share of results of an associate			(8,999)
Finance costs			<u>(42,633)</u>
Loss before taxation			<u>(130,656)</u>

**For the year ended 30 June 2013**

	<b>Hospital</b> <i>HK\$'000</i>	<b>Property development</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
Revenue	<u>393,058</u>	<u>208,649</u>	<u>601,707</u>
Segment loss	<u>(40,464)</u>	<u>(825)</u>	(41,289)
Other income and other gains and losses			6,921
Central corporate expenses			(22,394)
Finance costs			<u>(42,545)</u>
Loss before taxation			<u>(99,307)</u>

- (c) The following is an analysis of the Jiatai Group's assets and liabilities by its operating and reportable segments:

**At 30 June 2014**

	<b>Hospital HK\$'000</b>	<b>Property development HK\$'000</b>	<b>Consolidated HK\$'000</b>
Segment assets	1,570,503	997,209	2,567,712
Interest in an associate			7,218
Corporate assets			<u>365,287</u>
Consolidated assets			<u><u>2,940,217</u></u>
Segment liabilities	626,009	614,970	1,240,979
Corporate liabilities			<u>859,011</u>
Consolidated liabilities			<u><u>2,099,990</u></u>

- (d) Loss for the year included the following:

	<b>2014 HK\$'000</b>	<b>2013 HK\$'000</b>
Auditor's remuneration	359	273
Staff costs	188,608	136,931
Depreciation of property, plant and equipment	89,301	59,650
Release of prepaid lease payments	3,107	1,524
Share-based payment expense (included in staff costs)	6,005	–
Amortisation of intangible assets	842	619
Cost of inventories recognised as an expense	291,311	175,331
Cost of properties held for sale recognised as an expense	<u>298,456</u>	<u>191,040</u>

- (e) Taxation (expense) credit

Enterprise Income Tax in the PRC for current year	(40,269)	(289)
Underprovision of Enterprise Income Tax in the PRC in previous years	(14,110)	–
Deferred tax credit	33,278	10,151
Land Appreciation Tax in the PRC	<u>(18,322)</u>	–
	<u><u>(39,423)</u></u>	<u><u>9,862</u></u>

## 8. PROFIT (LOSS) FOR THE YEAR

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (restated)
<b>Continuing operations</b>		
Profit (loss) for the year has been arrived at after charging (crediting):		
Auditor's remuneration	1,565	1,400
Depreciation of property, plant and equipment	593	447
Gross rental income from properties	(4,005)	(3,882)
Less: Direct operating expenses that generated rental income	730	741
Direct operating expenses that did not generate rental income	349	365
Net rental income	<u>(2,926)</u>	<u>(2,776)</u>

## 9. DIVIDENDS

The final dividend of HK\$0.05 per ordinary share (2013: nil) and a special dividend of HK\$0.05 per ordinary share (2013: nil), amounting to approximately HK\$53,107,000 (2013: nil), was proposed by the Directors and is subject to the approval by the Company's shareholders at the forthcoming annual general meeting.

## 10. EARNINGS (LOSS) PER SHARE

### For continuing and discontinuing operations

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

### Earnings

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share for the year attributable to owners of the Company	<u>927,908</u>	<u>(780,719)</u>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	<u>536,747,057</u>	<u>542,689,806</u>

### From continuing operations

Basic earnings per share (2013: loss per share) from continuing operations attributable to the owners of the Company is calculated based on the profit for the year attributable to owners of the Company from continuing operations of approximately HK\$1,032,392,000 (2013: loss of approximately HK\$718,250,000 and the denominators detailed above for basic earnings (loss) per share.

### From discontinuing operations

Basic loss per share from discontinuing operations of HK\$0.19 (2013: HK\$0.12) per share, based on the loss for the year from discontinuing operations of approximately HK\$104,484,000 (2013: HK\$62,469,000) and the denominators detailed above for basic earnings (loss) per share.

The computations of diluted earnings (loss) per share for the year ended 30 June 2014 and 2013 do not assume the exercise of share options granted by a subsidiary since such assumed exercise would be anti-dilutive.



## 11. DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>2014</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Debtors from securities trading	<b>17,845</b>	17,474
Trade receivables arising from hospital operation	–	40,323
Deposits with and receivables from the financial institutions	<b>19,824</b>	38,125
Prepayments	<b>1,818</b>	13,474
Prepaid business taxes and other PRC taxes	–	23,583
Deposits paid to suppliers	–	16,527
Other debtors and deposits	<b>77,180</b>	34,890
	<u><b>116,667</b></u>	<u>184,396</u>

The following is an aged analysis of trade receivables from hospital operation presented based on the invoice date (approximate the date of revenue recognition) as at 30 June 2013:

	<b>2013</b>
	<i>HK\$'000</i>
0 – 30 days	19,912
31 – 60 days	12,197
61 – 90 days	<u>8,214</u>
	<u><b>40,323</b></u>

## 12. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

As at 30 June 2014

As disclosed in note 7, the Company conditionally agreed to dispose of its entire interest in Jiatai Construction through the disposal of Exceptional Talent Limited. The directors determine the disposal is highly probable and thus, the relevant assets and liabilities of the Jiatai Group are classified to assets classified as held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations”. Details of the relevant assets and liabilities of the Jiatai Group as at 30 June 2014 are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	1,375,148
Prepaid lease payments	124,472
Interest in an associate	7,218
Intangible assets	15,682
Deposits for acquisition of property, plant and equipment	22,718
Inventories	18,529
Properties under development for sale	830,972
Properties held for sale	31,665
Debtors, deposits and prepayments ( <i>Note a</i> )	89,203
Pledged bank deposits	235,518
Restricted bank deposits	74,160
Bank balances and cash	<u>114,932</u>
Total assets classified as held for sale	<u><u>2,940,217</u></u>
Creditors and accrued charges ( <i>Note b</i> )	289,810
Customers' deposit and receipts in advance	26,086
Deposits received on sales of properties	186,132
Consideration payable	87,472
Amount due to an associate	8,122
Obligations under finance leases	72,664
Borrowings	1,342,670
Taxation payable	9,380
Deferred taxation	<u>77,654</u>
Total liabilities associated with assets held for sale	<u><u>2,099,990</u></u>

Notes:

- (a) The following is an analysis of the Jiatai Group's debtors, deposits and prepayments:

	<i>HK\$'000</i>
Trade receivables arising from hospital operation	44,937
Prepayments	20,661
Prepaid business taxes and other PRC taxes	7,914
Other debtors and deposits	<u>15,691</u>
	<u><u>89,203</u></u>

The following is an aged analysis of trade receivable from hospital operation presented based on the invoice date (approximate the date of revenue recognition) as at 30 June 2014:

	<b>2014</b> <i>HK\$'000</i>
0 – 30 days	23,116
31 – 60 days	10,231
61 – 90 days	5,488
91 – 365 days	<u>6,102</u>
	<u><u>44,937</u></u>

- (b) The following is an analysis of the Jiatai Group's creditors and accrued charges:

	<i>HK\$'000</i>
Trade payables to construction contractors and of hospital operations	142,364
Accrued compensation for late delivery of properties held for sale	8,791
Accrued construction cost for properties under development for sale	65,770
Construction cost payable for hospital buildings classified as property, plant and equipment	14,154
Deposit received for sales of 昆明同仁實業開發有限公司 Kunming Tongren Industrial Development Company Limited	37,488
Other creditors and accrued charges	<u>21,243</u>
	<u><u>289,810</u></u>

The following is an aged analysis of trade payables to construction contractors and of hospital operations presented based on the invoice date as at 30 June 2014:

	<b>2014</b> <i>HK\$'000</i>
0 – 30 days	47,046
31 – 60 days	21,253
61 – 90 days	17,102
91 – 365 days	25,477
Over 1 year but not exceeding 2 years	22,154
Over 2 years but not exceeding 5 years	<u>9,332</u>
	<u><u>142,364</u></u>

### 13. CREDITORS AND ACCRUED CHARGES

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade payables to construction contractors and of hospital operation	–	167,791
Creditors from securities trading	<b>17,737</b>	40,862
Accrued compensation for late delivery of properties held for sale	–	9,902
Accrued construction cost for properties under development for sale	–	37,388
Construction cost payable for hospital buildings classified as property, plant and equipment	–	12,238
Other creditors and accrued charges	<u><b>88,318</b></u>	<u>64,440</u>
	<u><u><b>106,055</b></u></u>	<u><u>332,621</u></u>

The following is an aged analysis of trade payables to construction contractors and of hospital operations presented based on the invoice date as at 30 June 2013:

	<b>2013</b> <i>HK\$'000</i>
0 – 30 days	21,087
31 – 60 days	20,555
61 – 90 days	26,972
91 – 365 days	89,914
Over 2 years but not exceeding 5 years	<u>9,263</u>
	<u><u>167,791</u></u>

## **FINANCIAL RESULTS**

For the year ended 30 June 2014, the Group achieved a total revenue of HK\$1,209,682,000 (2013: HK\$696,624,000) with a substantial profit for the year attributable to shareholders of HK\$927,908,000 against a loss of HK\$780,719,000 in the previous financial year. This was mainly due to the gain in fair value of investments held for trading of HK\$765,476,000 (2013: loss of HK\$152,682,000) and derivative financial instruments of HK\$69,454,000 (2013: HK\$16,645,000); the net gain on disposal of available-for-sale investments of HK\$125,946,000 (2013: HK\$745,000) and the share of profit of associates of HK\$263,388,000 (2013: loss of HK\$624,814,000) but partially off-set by the impairment loss recognized on the Group's interest in an associate of HK\$232,639,000 (2013: nil). Earnings per share (from continuing and discontinuing operations)(basic and diluted) for the year ended 30 June 2014 improved to HK\$1.73 (2013: loss per share of HK\$1.44).

The Group's net asset value per share attributable to the owners of the Company as at 30 June 2014 increased to HK\$3.43 (2013: HK\$1.81).

## **FINAL AND SPECIAL DIVIDENDS**

The Directors recommend the payment of a final dividend of HK\$0.05 per share (2013: nil) and a special dividend of HK\$0.05 per share (2013: nil) amounting to approximately HK\$53,107,000 (2013: nil) to the shareholders whose names appear on the register of members of the Company on 11 December 2014.

It should be noted that during the year the Company repurchased a total of 11,188,000 shares (2013: 2,196,000 shares) in the capital of the Company for an aggregate consideration of HK\$25,085,000 (2013: HK\$2,400,000) for cancellation and as a result both earnings per share and net asset value per share of the Company have been enhanced.

## **CLOSURE OF REGISTER OF MEMBERS**

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

- (i) from Monday, 1 December 2014 to Wednesday, 3 December 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting. In order to be entitled to attend and vote at the Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on Friday, 28 November 2014; and
- (ii) from Tuesday, 9 December 2014 to Thursday, 11 December 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend and special dividend. In order to qualify for the proposed final dividend and special dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited for registration no later than 4:30 p.m. on Monday, 8 December 2014

The relevant dividend warrants for the aforesaid final dividend and special dividend are expected to be despatched on or about 7 January 2015.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **REVIEW OF OPERATIONS – CONTINUING OPERATIONS:**

#### **Securities Trading and Investments**

The first half of 2014 saw a rally in the financial markets because of an improved economic growth, low inflation and low interest rates and the liquidity provided by the respective central banks. The Group was able to take advantage of the conducive economic environment. However, various events such as the escalation of geopolitical tensions in the Middle East and Eastern Europe, the uneven economic growth in the various advanced economies and the United States ("US"), and the economic slow-down in the emerging markets and the People's Republic of China ("PRC") continued to provide a significant challenge to the global economic recovery, bringing about volatility in various financial markets.

For the year ended 30 June 2014 the Group's business in securities trading and investments recorded an improved turnover of HK\$1,104,345,000 (2013: HK\$677,016,000) and a profit of HK\$906,834,000 (2013: loss of HK\$189,014,000), mostly attributed to the gain in fair value of investments held for trading of HK\$765,476,000 (2013: loss of HK\$152,682,000) and derivative financial instruments of HK\$69,454,000 (2013: HK\$16,645,000). Additionally, there was the net gain on disposal of available-for-sale investments of HK\$125,946,000 (2013: HK\$745,000) inclusive of the on-market disposals of 80.9 million shares of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) in July 2013 and 15.972 million shares of Sun Hung Kai & Co. Limited in June 2014.

As at 30 June 2014, the Group continued to maintain a portfolio of available-for-sale investments of HK\$168,739,000 (2013: HK\$331,539,000) and a trading portfolio of HK\$1,540,273,000 (2013: HK\$957,197,000).

### **Money Lending**

During the year under review, the Group's money lending business recorded an increased turnover of interest income of HK\$101,332,000 (2013: HK\$15,726,000) and an enhanced profit of HK\$72,654,000 (2013: HK\$9,558,000) from its loan portfolio. As at 30 June 2014, the Group's loan portfolio increased to HK\$202,103,000 (2013: HK\$103,761,000) mostly due to the novation in October 2013 of an Australian Dollar ("A\$") denominated short term loan receivable ("A\$ Loan Receivable") at a consideration of approximately A\$75.4 million. The A\$ Loan Receivable has been fully repaid in July 2014.

### **Property Investments**

The Group's investment properties located in Hong Kong and the PRC recorded a rental income of HK\$4,005,000 (2013: HK\$3,882,000) and a decrease in profit of HK\$14,184,000 (2013: HK\$59,415,000) for the 2014 financial year mainly due to the reduction in gain in fair value changes on its investment properties portfolio to HK\$11,498,000 (2013: HK\$57,589,000). As at 30 June 2014, the Group's investment properties portfolio amounted to HK\$213,660,000 (2013: HK\$208,112,000).

### **REVIEW OF OPERATIONS – DISCONTINUING OPERATIONS:**

Through the Group's shareholding of 60.52% in Lianyungang Jiatai Construction Company Limited (連雲港嘉泰建設工程有限公司) ("Jiatai Construction", Jiatai Construction and its subsidiaries as "Jiatai Group"), the Group's hospital ownership and operation in the PRC consists of the Nanjing Tongren Hospital (南京同仁醫院), the Kunming Tongren Hospital (昆明同仁醫院) and the Yunnan Xinxinhua Hospital (雲南新新華醫院). All three are integrated hospitals offering a wide range of comprehensive clinical and healthcare services. The Jiatai Group's property development business in the PRC consists of the Kangya Garden (康雅苑) development project located in the Jiangning Development Zone in Nanjing, the PRC with a total gross floor area of approximately 125,400 sqm with construction of Phase II completed in June 2013. The construction of Phase III is expected to be completed by June 2015.

During the year under review, the Jiatai Group's hospital operation and property development in the PRC contributed an aggregated turnover of HK\$964,416,000 (2013: restated HK\$601,707,000) and a loss for the year of HK\$170,079,000 (2013: HK\$89,445,000) mainly caused by the continued increase in inflation and increase in labour costs in the PRC especially for medical and technical staff, and finance costs.

As announced in August 2013, the Jiatai Group entered into a sale and purchase agreement to dispose of its interest in Kunming Tongren Industrial Development Company Limited (昆明同仁實業開發有限公司) ("Kunming Tongren Industrial") for a consideration of RMB324.995 million with a prepayment of RMB30 million received. Upon the completion of the assets transfer and restructuring of receivables and liabilities, Kunming Tongren Industrial's remaining assets will consist of the elderly care use land, the nursery land together with the existing buildings and structures thereon, the right and income entitlement in the 204 fixed parking spaces (developed but unsold) in Dianchi Yinxiang Garden (滇池印象花園) and the right to the 24 flats (developed but unsold) in Dianchi Yinxiang Garden, in Kunming City in the Yunnan Province of the PRC. The Group considers that the disposal would provide the Company with the opportunity to realize gains from its investments and enable it to reallocate its financial resources to other core business activities. The disposal is not completed as the Group and the purchasers are still in the course of obtaining separate land certificates for the elderly care use land and the nursery land.

In September 2013, the Group announced that the Jiatai Group entered into an agreement to dispose of its entire shareholding of 65% of the registered capital of Dongying Tongren International Health Centre Investment Company Limited (東營同仁國際健康城投資有限公司) ("Dongying Tongren") for a consideration of RMB13 million with a deposit of RMB5 million received. The sole investment of Dongying Tongren is the Dongying Tongren International Health Centre project in Dongying in the Shandong Province of the PRC, which is still in the preliminary planning stage. The disposal will enable the Group to recuperate its initial capital contribution and continue to participate in the projects of Dongying Tongren through the provision of management and consulting services. The disposal is also not completed as the purchaser is still in the course of its due diligence work.

In August 2014 the Group announced that it has entered into an agreement to dispose of its entire interest in Jiatai Construction for a total consideration of HK\$944,944,150. As such, the hospital operation and property development operation of Jiatai Group are considered discontinuing operations with the relevant assets and liabilities of Jiatai Group reclassified to "assets classified as held for sale" under current assets and "liabilities associated with assets held for sale" under current liabilities respectively.

## **PRINCIPAL ASSOCIATED COMPANIES**

For the 2014 financial year the share of profit of associates of the Group, impairment loss recognized on interest in an associate, gain on partial disposal of associates, gain on deemed disposal of an associate and gain on deemed acquisition of an associate were HK\$263,388,000 (2013: loss of HK\$624,814,000), HK\$232,639,000 (2013: nil), nil (2013: HK\$466,000), nil (2013: HK\$34,794,000) and HK\$67,116,000 (2013: nil) respectively. As at 30 June 2014, the Group's investment in associates was HK\$408,316,000 (2013: HK\$273,037,000).



### **Mabuhay Holdings Corporation (“MHC”) – approximately 29.85% owned by the Group**

MHC is a company incorporated in the Philippines with its shares listed on The Philippine Stock Exchange, Inc. (“PSE”) and is engaged in investment in securities, properties, and other investments in the Philippines. MHC’s major asset is an approximately 37.3% interest in IRC Properties, Inc. (“IRC”), whose shares are also listed on the PSE. IRC is principally engaged in real estate development with three real estate projects, inclusive of two affordable socialize housing projects (in joint venture and in development phase) and a condominium project (in design phase), in the Binangonan area of Rizal Province close to Metro-Manila in the Philippines. IRC is also in continuing negotiation with a key real estate industry player to develop another portion of its Binangonan property.

### **Think Future Investments Limited (“Think Future”) – 30% owned by the Group**

Think Future is an investment holding company and through its subsidiaries (collectively the “Think Future Group”), engaged in property development and project management businesses in the PRC. Currently the Think Future Group has a development project located in Zhu Jia Jiao County, Shanghai, the PRC which it is developing into a showcase project comprising health industry headquarters and base, offering health and care services packages to the elderly. The project is now under construction and its pre-sale program has commenced.

### **APAC Resources Limited (“APAC”) – approximately 33.15% owned by the Group**

In January 2014, APAC announced a conditional cash offer to its shareholders to repurchase for cancellation up to a maximum of 680,000,000 shares of APAC at an offer price of HK\$0.18 per share (“APAC Share Buy-Back”). The APAC Share Buy-Back was completed in May 2014 and together with the acquisition of 1,640,000 shares of APAC by the Company during the year, the Group’s effective interest in APAC has increased from approximately 29.81% to approximately 33.15%. A gain on deemed acquisition of interest in APAC of HK\$67,116,000 (2013: nil) is recognized in the year under review.

APAC is an established natural resources investment and commodities business company listed on the Hong Kong Stock Exchange. Focused on natural resources, its business lines comprise primary strategic investment, resource investment and commodity business. APAC’s primary strategic investments include an approximately 26.61% shareholding in Mount Gibson Iron Limited (“MGX”), the fifth largest iron ore producer in Australia and an approximately 24.02% shareholding in Metals X Limited (“MLX”), Australia’s largest tin producer. MGX is a leading West Australian hematite iron ore producer listed on the Australian Stock Exchange (“ASX”). MGX has three mines in production with annual capacity of 10 million tonnes per annum of direct shipping ore. MLX is an Australian based and ASX listed emerging diversified resource group with exposure to gold with the Higginsville, South Kalgoorlie and Central Murchison projects, tin via its 50% interest in the producing Renison mine in Tasmania, and nickel through its world scale Wingellina nickel development project. APAC’s commodity business is based in Shanghai, currently trading iron ore and coal, and dominated by two offtake agreements with MGX and the shipments are sold on the spot market to steel mills and traders in the PRC.

For the year under review, APAC recorded a revenue of HK\$774,512,000 (2013: HK\$1,104,617,000) and profit attributable to shareholders of HK\$907,260,000 (2013: loss of HK\$2,079,687,000). The significant profit has been driven by a reversal of impairment provision of HK\$673,647,000 (2013: nil) against the carrying value of APAC's two principal listed associates. Before taking into account the reversal of impairment provision, APAC's primary strategic investments reported an attributable profit of HK\$244,622,000 (2013: HK\$347,152,000), its resource investment portfolio posted a loss of HK\$7,596,000 (2013: loss of HK\$268,911,000) and its commodity business achieved a profit of HK\$51,353,000 (2013: HK\$16,556,000).

## **FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES**

As at 30 June 2014, the Group's non-current assets of HK\$640,200,000 (2013: HK\$2,164,204,000) consisted of investment properties of HK\$213,660,000 (2013: HK\$208,112,000), property, plant and equipment of HK\$17,478,000 (2013: HK\$1,451,117,000), prepaid lease payments of nil (2013: HK\$65,426,000), interests in associates of HK\$408,316,000 (2013: HK\$273,037,000), available-for-sale investments of HK\$746,000 (2013: HK\$126,819,000), intangible assets of nil (2013: HK\$16,713,000) and deposits for acquisition of property, plant and equipment of nil (2013: HK\$22,980,000). These non-current assets are principally financed by the Group's shareholders' funds. As at 30 June 2014, the Group's net current assets increased to HK\$1,694,727,000 (2013: HK\$48,792,000) mainly attributed to the reclassification of the relevant assets and liabilities of the Jiatai Group as current assets and current liabilities respectively.

As at 30 June 2014, the total borrowings of the Group amounted to HK\$1,592,690,000 (2013: HK\$2,710,883,000) consisting of securities margin loans of HK\$857,668,000 (2013: HK\$1,128,582,000), unsecured term loan of HK\$488,022,000 (2013: HK\$70,000,000), promissory note of nil (2013: HK\$91,987,000), secured bank borrowings of nil (2013: HK\$308,669,000), unsecured bank borrowings of nil (2013: HK\$391,587,000), unsecured other borrowings of nil (2013: HK\$122,102,000), discounted bills of nil (2013: HK\$350,956,000) and bonds of HK\$247,000,000 (2013: HK\$247,000,000). Among the total borrowings of the Group, an amount of HK\$1,522,690,000 (2013: HK\$2,173,222,000) was with maturity on demand or within one year, HK\$70,000,000 (2013: HK\$409,517,000) was with maturity of over one year but not exceeding two years while borrowings of nil (2013: HK\$128,144,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2014, the total borrowings of the Jiatai Group (classified in liabilities associated with assets held for sale) amounted to HK\$1,342,670,000 (2013: HK\$1,173,314,000) consisting of secured bank borrowings of HK\$390,850,000 (2013: HK\$308,669,000), unsecured bank borrowings of HK\$539,577,000 (2013: HK\$391,587,000), secured other borrowings of HK\$124,960,000 (2013: nil), unsecured other borrowings of HK\$133,082,000 (2013: HK\$122,102,000) and discounted bills of HK\$154,201,000 (2013: HK\$350,956,000). Among the total borrowings of the Jiatai Group, an amount of HK\$958,168,000 (2013: HK\$1,047,168,000) was with maturity on demand or within one year, HK\$378,254,000 (2013: HK\$68,002,000) was with maturity of over one year but not exceeding two years while borrowings of HK\$6,248,000 (2013: HK\$58,144,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2014, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity, was 47.3% (2013: 143.1%). The Group's gearing ratio would be adjusted to nil (2013: 65.2%) with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the net borrowings.

As at 30 June 2014, the Group's gearing ratio would be adjusted to 87.9% with the Group's net borrowings aggregated with Jiatai Group's net borrowings (classified in liabilities associated with assets held for sale). The Group's gearing ratio would be adjusted to 12.4% with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the aggregated net borrowings.

In July 2013, the Jiatai Group entered into a mutual guarantee agreement with China Huali Holdings Group Company Limited (中國華力控股集團有限公司) ("Huali"), a connected person of the Company, pursuant to which both parties agreed that should any party (inclusive of their subsidiaries) apply for a loan or loans from a bank or financial institution, and if the lender so requires, then the other party shall provide a corporate guarantee for the obligations of the borrower under the loan. The total loan amounts guaranteed by each party shall not exceed RMB300 million. A corporate guarantee from PRC corporations is commonly required as a security or additional security for financial transactions in the PRC to secure the obligations of the borrower and the mutual guarantee agreement would enable and facilitate the Jiatai Group to obtain loans from third party lenders in order to support its ordinary and usual course of business in the PRC.

During the year under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, Taiwan Dollar, Renminbi, Malaysian Ringgit and Japanese Yen. Because of the short term nature, the Group partially hedged risks arising from its Australian Dollar denominated assets and transaction and did not actively hedge risks arising from Malaysian Ringgit and Japanese Yen denominated assets and transactions. The exchange rate of the Taiwan Dollar and Renminbi were relatively stable during the year. The Group was not materially affected by its exposure to these currencies.

As at 30 June 2014, the Group had capital commitments contracted but not provided for of HK\$1,295,000 (2013: HK\$1,735,000).

As at 30 June 2014, Jiatai Group provided guarantees of RMB180,000,000 (approximately HK\$224,928,000) to Huali under the mutual guarantee, while Huali and its subsidiary provided guarantees of RMB212,000,000 (approximately HK\$264,915,000) to Jiatai Group under the mutual guarantee. As at 30 June 2014, the fair value of the guarantees is estimated to be insignificant. As at 30 June 2014, the Group had no other material contingent liabilities (2013: nil).

During the year, the Company repurchased a total of 11,188,000 shares (2013: 2,196,000 shares) in the capital of the Company for an aggregate consideration of HK\$25,085,000 (2013: HK\$2,400,000). The said shares were subsequently cancelled.

## **CHARGE ON GROUP ASSETS**

As at 30 June 2014, the Group's investments held for trading of HK\$1,495,409,000 (2013: HK\$916,835,000), interests in associates of HK\$383,500,000 (2013: HK\$248,261,000), buildings (included in the property, plant and equipment) of nil (2013: HK\$604,739,000), available-for-sale investments of HK\$103,182,000 (2013: HK\$231,892,000), prepaid lease payment of nil (2013: HK\$35,293,000), pledged bank deposits of HK\$2,944,000 (2013: HK\$265,423,000), and amounts included in assets classified as held for sale inclusive of prepaid lease payments of HK\$93,834,000 (2013: HK\$61,993,000) buildings of HK\$596,597,000 (2013: HK\$18,039,000), pledged bank deposit of HK\$235,518,000 (2013: nil), properties under development for sale of HK\$704,588,000 (2013: nil) and properties held for sale of HK\$20,686,000 (2013: HK\$27,546,000) were pledged to banks and securities houses to secure credit facilities granted to the Group (inclusive of Jiatai Group).

During the year ended 30 June 2014, the immediate holding company of Kunming Tongren Industrial and Kunming Tongren Hospital Company Limited, both non-wholly owned subsidiaries of the Company, pledged its equity interest in these two subsidiaries to banks for borrowings granted to the Jiatai Group.

The Jiatai Group's obligations under finance leases are secured by the Jiatai Group's charge over the leased assets. At 30 June 2014, the carrying amount of the Jiatai Group's medical equipment includes an amount of HK\$139,143,000 (2013: HK\$174,937,000) in respect of assets held under finance leases.

## **EMPLOYEES**

The Group had 2,052 employees as at 30 June 2014 inclusive of discontinuing operations (2013: 2,113). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

## **PROSPECTS**

The global financial markets will continue to encounter significant risks associated with geopolitical tensions and regional conflicts particularly in the energy producing and export region, slower than expected growth from industrialized economies and the emerging markets, continued deflation and fiscal headwinds in the euro zone area, and the beginning of the interest rate hike cycle in the US. Additionally, in a market environment underpinned by aggregative monetary policy of major central banks, investors and market sentiments, could be rapidly soured by any subtle change in perception in what the market currently expects or a divergence in policy directions.

In May 2014, the Company received a non-binding offer, subject to formal agreement, for the acquisition of the Group's entire interest in Jiatai Group held by the Group. In July 2014, the Group entered into an agreement to dispose of its entire interest in Jiatai Construction for a total consideration of HK\$944,944,150 ("Disposal"). In September 2014, as a condition precedent to the Disposal, Jiatai Construction acquired a 10.2% equity interest in Yangpu Zhaohe Industrial Co. Ltd ("Yangpu Zhaohe") for a consideration of RMB50 million and together with the acquisition of the remaining 8.16% equity interest of Yangpu Zhaohe from another shareholder, Yangpu Zhaohe will be wholly-owned by Jiatai Construction. The Jiatai Group has been loss-making for a period of time since becoming subsidiaries of the Group in September 2012 and with its relatively high gearing level, it will require possible continued capital support. The Group believes the Disposal is an exit opportunity which will bring realized capital gain and good cash flow under the current uncertain economic environment.

As a value investor, the Group will continuously review and adjust its investment strategies and investment portfolio to suit the prevailing economic and investment environment and will seek grossly undervalued investment and business opportunities in China, Hong Kong and the Asia Pacific region to enhance value for shareholders.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the year, the Company repurchased a total of 11,188,000 ordinary shares in the capital of the Company on the Stock Exchange in the range from HK\$1.75 to HK\$2.42 per ordinary share for a total consideration of HK\$25,085,000. The said shares were subsequently cancelled.

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 benefit Shareholders as a whole in enhancing the net asset value and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE**

Throughout the year ended 30 June 2014, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report. As listed out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding Director’s securities transactions. Having made specific enquiry with all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the year ended 30 June 2014.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 30 June 2014.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended 30 June 2014 as set out in this announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this announcement.

By Order of the Board  
**COL Capital Limited**  
**Chong Sok Un**  
*Chairman*

Hong Kong, 26 September 2014

*As at the date of this announcement, the Board comprises Ms. Chong Sok Un (Chairman), Dato’ Wong Peng Chong and Mr. Kong Muk Yin as Executive Directors; and Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian as Independent Non-Executive Directors.*