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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 2015**

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 2015 together with comparative figures for the year ended 30 June 2014 (as restated) are as follows:–

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

*FOR THE YEAR ENDED 30 JUNE 2015*

	<i>NOTES</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Revenue	2	<b>715,017</b>	1,096,403
Gross proceeds from sale of investments held for trading		<b>1,254,723</b>	841,724
Total		<b>1,969,740</b>	1,938,127
Revenue	2	<b>715,017</b>	1,096,403
Cost of goods and services		<b>(644,645)</b>	(895,940)
Gross profit		<b>70,372</b>	200,463
Other gains and losses	4	<b>429,397</b>	1,063,670
Other income	5	<b>17,844</b>	22,263
Selling and distribution expenses		<b>(2,489)</b>	(3,750)
Administrative expenses		<b>(138,196)</b>	(207,268)
Finance costs		<b>(144,137)</b>	(183,128)
Other expenses		<b>–</b>	(15,675)
Share of results of associates		<b>(338,512)</b>	254,389
Reversal of impairment/impairment on interest in an associate and result on distribution in specie of shares of an associate		<b>261,266</b>	(232,639)

	<i>NOTES</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Profit before taxation		<b>155,545</b>	898,325
Taxation expense	6	<u><b>(15,335)</b></u>	<u>(40,495)</u>
Profit for the year	7	<u><b>140,210</b></u>	<u>857,830</u>
Profit (loss) for the year attributable to:			
– Owners of the Company		<b>228,443</b>	927,908
– Non-controlling interests		<u><b>(88,233)</b></u>	<u>(70,078)</u>
		<u><b>140,210</b></u>	<u>857,830</u>
Earnings per share	9		
– Basic		<u><b>HK\$0.02</b></u>	<u>HK\$0.09</u>
– Diluted		<u><b>HK\$0.02</b></u>	<u>HK\$0.09</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year	<u>140,210</u>	<u>857,830</u>
Other comprehensive (expense) income		
Items that will be reclassified subsequently to profit or loss:		
Net (loss) gain on available-for-sale investments:		
(Loss) gain on fair value changes	(10,572)	24,696
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	(31,259)	(125,946)
Share of changes in other comprehensive income of associates	–	3,048
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	<u>15,447</u>	<u>–</u>
	<u>(26,384)</u>	<u>(98,202)</u>
Exchange difference arising on translation:		
Exchange gain arising from translation of foreign operation	801	12,136
Share of changes in other comprehensive (expense) income of associates	(99,851)	20,306
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	<u>51,603</u>	<u>–</u>
	<u>(47,447)</u>	<u>32,442</u>
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of leasehold land and buildings	<u>1,100</u>	<u>1,000</u>
Other comprehensive expense for the year	<u>(72,731)</u>	<u>(64,760)</u>
Total comprehensive income for the year	<u><b>67,479</b></u>	<u><b>793,070</b></u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	156,902	864,896
Non-controlling interests	<u>(89,423)</u>	<u>(71,826)</u>
	<u><b>67,479</b></u>	<u><b>793,070</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	<i>NOTE</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Non-current assets			
Investment properties		<b>229,270</b>	213,660
Property, plant and equipment		<b>1,366,311</b>	1,392,626
Prepaid lease payments		<b>118,298</b>	121,400
Interests in associates		<b>9,001</b>	415,534
Available-for-sale investments		<b>11,353</b>	746
Intangible assets		<b>14,844</b>	15,682
Deposits for acquisition of property, plant and equipment		–	22,718
Pledged bank deposit		<b>139,636</b>	–
		<b>1,888,713</b>	2,182,366
Current assets			
Inventories		<b>20,649</b>	18,529
Properties under development for sale		<b>974,554</b>	830,972
Properties held for sale		<b>27,544</b>	31,665
Prepaid lease payments		<b>3,073</b>	3,072
Available-for-sale investments		<b>53,396</b>	167,993
Investments held for trading		<b>1,830,232</b>	1,540,273
Debtors, deposits and prepayments	<i>10</i>	<b>197,729</b>	205,870
Loans receivable		<b>61,247</b>	202,103
Derivative financial instruments		<b>470</b>	11,447
Pledged bank deposits		<b>157,511</b>	238,462
Restricted bank deposits		<b>53,698</b>	74,160
Bank balances and cash		<b>157,622</b>	632,769
		<b>3,537,725</b>	3,957,315

	<i>NOTE</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Current liabilities			
Creditors and accrued charges	<i>11</i>	<b>657,126</b>	395,865
Deposits received on sales of properties		<b>519,623</b>	186,132
Customers' deposits and receipts in advance		<b>24,861</b>	29,473
Consideration payable		<b>68,712</b>	87,472
Amount due to an associate		<b>8,120</b>	8,122
Borrowings – due within one year		<b>1,641,721</b>	2,233,858
Obligations under finance leases – due within one year		<b>51,819</b>	43,390
Derivative financial instruments		<b>17,816</b>	3,873
Taxation payable		<b>77,477</b>	78,139
Bonds		<b>–</b>	247,000
		<b><u>3,067,275</u></b>	<u>3,313,324</u>
Net current assets		<b><u>470,450</u></b>	<u>643,991</u>
Total assets less current liabilities		<b><u>2,359,163</u></b>	<u>2,826,357</u>
Non-current liabilities			
Deferred tax liabilities		<b>77,445</b>	77,654
Borrowings – due after one year		<b>232,409</b>	454,502
Obligations under financial leases – due after one year		<b>37,884</b>	29,274
		<b><u>347,738</u></b>	<u>561,430</u>
		<b><u><u>2,011,425</u></u></b>	<u><u>2,264,927</u></u>
Capital and reserves			
Share capital		<b>5,262</b>	5,311
Reserves		<b><u>1,649,125</u></b>	<u>1,817,659</u>
Equity attributable to owners of the Company		<b>1,654,387</b>	1,822,970
Non-controlling interests		<b><u>357,038</u></b>	<u>441,957</u>
Total equity		<b><u><u>2,011,425</u></u></b>	<u><u>2,264,927</u></u>

## 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”).

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: Employees contributions
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle
HK(IFRIC) – INT 21	Levies

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 HKAS 32 Offsetting financial assets and financial liabilities**

The Group has applied the amendments to HKAS 32 “Offsetting financial assets and financial liabilities” for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realisation and settlement’.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group’s consolidated financial statements.

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

HKFRS 9	Financial instruments <sup>1</sup>
HKFRS 15	Revenue from contracts with customers <sup>1</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle <sup>3</sup>
Amendments to HKAS 1	Disclosure initiative <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture <sup>3</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exceptions <sup>3</sup>
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations <sup>3</sup>

Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation <sup>3</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants <sup>3</sup>
Amendments to HKAS 27	Equity method in separate financial statements <sup>3</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2016.

## **HKFRS 9 Financial instruments**

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- \* All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting 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.
- \* With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities’ 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 fair value through profit or loss was presented in profit or loss.

- \* In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- \* The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

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.

#### **HKFRS 15 Revenue from contracts with customers**

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- \* Step 1: Identify the contract(s) with a customer
- \* Step 2: Identify the performance obligations in the contract
- \* Step 3: Determine the transaction price
- \* Step 4: Allocate the transaction price to the performance obligations in the contract
- \* Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In the opinion of the directors of the Company, it is not practicable to provide a reasonable estimate of the effect for the application of HKFRS 15 until a detailed review has been completed.

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



## 2. REVENUE

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Dividend income from listed investments	<b>14,059</b>	26,650
Interest income from loans receivable	<b>18,800</b>	101,332
Rental income	<b>4,020</b>	4,005
Hospital fees and charges	<b>672,481</b>	636,716
Revenue from sale of properties	<b>5,657</b>	327,700
	<b>715,017</b>	1,096,403

## 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 were originally excluded from segment information of continuing operations as both segments were discontinuing 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). However, as the proposed disposal has been terminated during the year ended 30 June 2015, the comparative figures in the segment information for the year ended 30 June 2014 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 2015*

	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>
Gross proceeds from sale of investments held for trading	<u>1,254,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,723</u>
Revenue	<u>14,059</u>	<u>18,800</u>	<u>4,020</u>	<u>5,657</u>	<u>672,481</u>	<u>715,017</u>
Segment profit (loss)	<u>370,199</u>	<u>3,486</u>	<u>18,242</u>	<u>(15,718)</u>	<u>(37,716)</u>	338,493
Other income and other gains and losses						10,689
Net foreign exchange loss						(79)
Gain on disposal of an associate						10,665
Central corporate expenses						(64,992)
Share of results of associates						(338,512)
Reversal of impairment on interest in an associate and result on distribution in specie of shares of an associate						261,266
Finance costs						<u>(61,985)</u>
Profit before taxation						<u>155,545</u>

For the year ended 30 June 2014 (restated)

	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>
Gross proceeds from sale of investments held for trading	<u>841,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>841,724</u>
Revenue	<u>26,650</u>	<u>101,332</u>	<u>4,005</u>	<u>327,700</u>	<u>636,716</u>	<u>1,096,403</u>
Segment profit (loss)	<u>906,834</u>	<u>72,654</u>	<u>14,184</u>	<u>823</u>	<u>(47,171)</u>	947,324
Other income and other gains and losses						9,713
Net foreign exchange gain						6,529
Gain on deemed acquisition in interests in an associate						67,116
Central corporate expenses						(90,848)
Share of results of associates						254,389
Impairment loss recognised on interest in an associate						(232,639)
Finance costs						<u>(63,259)</u>
Profit before taxation						<u>898,325</u>

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

Segment profit (loss) represents the profit earned/losses incurred by each segment without allocation of certain other income and other gains and losses, certain net foreign exchange gain/loss, central corporate expenses, gain on deemed acquisition in interests in an associate, gain on disposal of an associate, share of results of associates, impairment loss recognised on interest in an associate, reversal of impairment on interest in an associate and result on distribution in specie of shares of 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 2015*

	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	1,945,793	62,226	229,273	1,115,873	1,555,783	4,908,948
Interests in associates						9,001
Corporate assets						<u>508,489</u>
Consolidated assets						<u><u>5,426,438</u></u>
Segment liabilities	981,504	70,265	1,095	827,197	671,644	2,551,705
Corporate liabilities						<u>863,308</u>
Consolidated liabilities						<u><u>3,415,013</u></u>

*At 30 June 2014 (restated)*

	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	1,756,386	257,269	213,821	997,209	1,570,503	4,795,188
Interests in associates						415,534
Corporate assets						<u>928,959</u>
Consolidated assets						<u><u>6,139,681</u></u>
Segment liabilities	891,035	526,917	948	614,970	626,009	2,659,879
Corporate liabilities						<u>1,214,875</u>
Consolidated liabilities						<u><u>3,874,754</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, amount due from an associate, pledged bank deposits and 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 and bonds.

#### 4. OTHER GAINS AND LOSSES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Gain in fair value of investments held for trading ( <i>Note a</i> )	393,717	765,476
(Loss) gain in fair value of derivative financial instruments ( <i>Note b</i> )	(17,276)	69,454
Net gain on disposal of available-for-sale investments	31,259	125,946
Impairment loss recognised on other receivables	–	(6,784)
Fair value changes on investment properties	15,610	11,498
Net foreign exchange loss	(4,620)	(1,855)
Gain on disposal of an associate	10,665	–
Gain on deemed acquisition of an associate	–	67,116
Gain on early repayment from a loan receivable	–	32,981
Net gain (loss) on disposal of property, plant and equipment	<u>42</u>	<u>(162)</u>
	<u><b>429,397</b></u>	<u><b>1,063,670</b></u>

*Notes:*

- (a) Net realised gain of approximately HK\$334,638,000 (2014: HK\$330,849,000) on disposal of investments held for trading is included in change in fair value of investments held for trading.
- (b) Net realised loss of approximately HK\$55,666,000 (2014: net realised gain of HK\$61,880,000) on derivative financial instruments is included in change in fair value of derivative financial instruments.

## 5. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Interest income from:		
– Available-for-sale debt instruments	3,700	4,285
– Bank deposits	<u>7,024</u>	<u>8,566</u>
	10,724	12,851
Government grants	442	2,512
Compensation income	1,494	1,922
Others	<u>5,184</u>	<u>4,978</u>
	<u><u>17,844</u></u>	<u><u>22,263</u></u>

## 6. TAXATION EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Current tax credit (charge):		
Overprovision of Hong Kong Profits Tax in previous years	–	1,374
Enterprise Income Tax (“EIT”) in the PRC	(533)	(40,907)
Underprovision of EIT in the PRC in previous years	–	(14,110)
Land appreciation tax in the PRC	(14,998)	(18,322)
Withholding tax in Australia	–	(1,808)
Deferred tax credit	<u>196</u>	<u>33,278</u>
	<u><u>(15,335)</u></u>	<u><u>(40,495)</u></u>

## 7. PROFIT FOR THE YEAR

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	1,693	1,924
Depreciation of property, plant and equipment	91,256	89,894
Staff costs, inclusive of directors' emoluments	224,114	238,287
Gross rental income from properties	(4,020)	(4,005)
Less: Direct operating expenses that generated rental income	745	730
Direct operating expenses that did not generate rental income	356	349
Net rental income	(2,919)	(2,926)
Release of prepaid lease payments	3,080	3,107
Share-based payment expense (included in staff costs)	4,504	6,005
Amortisation of intangible assets (included in cost of goods and services)	835	842
Cost of inventories recognised as an expense (included in cost of goods and services)	302,262	291,311
Cost of properties held for sale recognised as an expense (included in cost of goods and services)	3,785	298,456

## 8. DIVIDENDS

Dividends recognised as distribution during the year ended:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Final dividend for the year ended 30 June 2014, declared – HK\$0.05 per share	26,516	–
Special dividend for the year ended 30 June 2014, declared – HK\$0.05 per share	26,516	–
Special dividend by way of distribution of shares in an associate (Note)	254,551	–
	<u>307,583</u>	<u>–</u>

*Note:*

On 20 November 2014, the Company announced that a special dividend was declared and would be satisfied by way of a distribution in specie of the ordinary shares of APAC Resources Limited (“APAC Shares”), a company with its ordinary shares listed on the Main Board of The Stock Exchange of Hong Kong Limited, held by the Group in the proportion of 3.75 APAC Shares for every 1 ordinary share of the Company held by the shareholders of the Company which represents 1,988,680,113 APAC Shares. Fair value of the 1,988,680,113 APAC Shares as determined based on quoted market bid price at the date of distribution was HK\$254,551,000.

No dividend was proposed during the year ended 30 June 2015, nor has any dividend been proposed since the end of the reporting period.

## 9. EARNINGS PER SHARE

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

### Earnings

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings for the purpose of basic and diluted earnings per share for the year attributable to owners of the Company	<u>228,443</u>	<u>927,908</u>
	<b>Number of shares</b>	Number of shares (restated)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>10,594,170,182</u>	<u>10,734,941,139</u>

The computations of diluted earnings per share for the year ended 30 June 2015 and 2014 do not assume the exercise of share options granted by a subsidiary since such assumed exercise would be anti-dilutive.

The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for the year ended 30 June 2015 and 2014 have been adjusted to reflect the impact of the share subdivision effected during the year ended 30 June 2015.



## 10. DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Debtors from securities trading	<b>18,672</b>	17,845
Trade receivables arising from hospital operation	<b>58,481</b>	44,937
Deposits with and receivables from the financial institutions	<b>30,503</b>	19,824
Prepayments	<b>32,087</b>	22,479
Prepaid business taxes and other PRC taxes	<b>28,175</b>	7,914
Other debtors and deposits	<b>29,811</b>	92,871
	<b>197,729</b>	205,870

The settlement terms of debtors from securities trading are 2-3 days after trade date and they are aged within 2-3 days as at 30 June 2015 and 2014.

The customers of hospital operation are either settled by cash, credit card or medical insurance. For credit card payment, the banks will pay the Group usually 7 days after the trade date. The medical insurance companies will usually pay the Group 90 days after the trade date.

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 2015 and 30 June 2014:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
0 – 30 days	<b>29,580</b>	23,116
31 – 60 days	<b>14,053</b>	10,231
61 – 90 days	<b>7,483</b>	5,488
91 – 365 days	<b>7,365</b>	6,102
	<b>58,481</b>	44,937

## 11. CREDITORS AND ACCRUED CHARGES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Trade payables to construction contractors and of hospital operation	123,741	142,364
Creditors from securities trading	315,946	17,737
Accrued compensation for late delivery of properties held for sale	6,626	8,791
Accrued construction cost for properties under development for sale	126,232	65,770
Construction cost payable for hospital buildings classified as property, plant and equipment	14,150	14,154
Deposits received for sales of Kunming Tongren Industrial Development Company Limited (昆明同仁實業開發有限公司)	–	37,488
Other creditors and accrued charges	<u>70,431</u>	<u>109,561</u>
	<u><b>657,126</b></u>	<u><b>395,865</b></u>

The settlement terms of creditors from securities trading are 2 – 3 days after trade date.

Trade payables of hospital operation principally comprise amounts outstanding for trade purchases. Trade payables to construction contractors comprise construction costs for property development and other projects. The normal credit period taken for these trade payables is 30 – 60 days.

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 2015:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
0 – 30 days	77,905	47,046
31 – 60 days	1,690	21,253
61 – 90 days	404	17,102
91 – 365 days	9,882	25,477
Over 1 year but not exceeding 2 years	23,668	22,154
Over 2 years but not exceeding 5 years	<u>10,192</u>	<u>9,332</u>
	<u><b>123,741</b></u>	<u><b>142,364</b></u>

## **FINANCIAL RESULTS**

For the year ended 30 June 2015, the Group recorded a total revenue of HK\$1,969,740,000 (2014: restated as HK\$1,938,127,000) and a decreased profit for the year attributable to shareholders of HK\$228,443,000 (2014: HK\$927,908,000) which was mainly due to the decline in gain in fair value of investments held for trading of HK\$393,717,000 (2014: HK\$765,476,000), loss in fair value of derivative financial instruments of HK\$17,276,000 (2014: gain of HK\$69,454,000) against a net gain on disposal of available-for-sale investments of HK\$31,259,000 (2014: HK\$125,946,000). Further, the Group also recorded a loss from its share of results of associates (inclusive of former associates) of HK\$338,512,000 (2014: profit of HK\$254,389,000) which was partially offset by a net gain of reversal of impairment and result on distribution in specie of shares of a former associate of HK\$261,266,000 (2014: impairment loss of HK\$232,639,000).

Earnings per share (basic and diluted) for the year ended 30 June 2015 was HK\$0.02 (2014: HK\$0.09, adjusted for the Company's share subdivision effective from 15 June 2015). The Group's net asset value per share as at 30 June 2015 decreased to HK\$0.16 from HK\$0.17 (adjusted for the Company's share subdivision effective from 15 June 2015) in 2014.

## **FINAL DIVIDEND**

During the year ended 30 June 2015 a special interim dividend satisfied by way of a distribution in specie of shares of APAC Resources Limited ("APAC Shares") held by the Group in the proportion of 3.75 APAC Shares for every share held ("Distribution in Specie") was declared. Based on the market value of the APAC Shares as at the date of despatch on 24 December 2014, this special interim dividend equates to HK\$0.48 per share, bringing the amount distributed to the shareholders to approximately HK\$254,551,000.

The Directors do not recommend the payment of a final dividend (2014: HK\$0.05 per share) or a special dividend (2014: HK\$0.05 per share) for the year ended 30 June 2015.

## **CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the "Annual General Meeting") is scheduled to be held on Monday, 7 December 2015. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 3 December 2015 to Monday, 7 December 2015, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible 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 Wednesday, 2 December 2015.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Securities Trading and Investments**

The beginning of 2015 saw a sharp rally in the equity market in China. However this was followed by an abrupt reversal from June 2015 caused by the concerns over the weakening of the Chinese economy and the subsequent devaluation of the Yuan.

The contagion was rapidly felt by the global economic and financial markets which were already experiencing the adverse impact of the depressed commodity prices, geopolitical tensions and conflicts, the drama of the Greek crisis in the euro zone, the slower than expected growth from the industrialized and the emerging economies, and the negative effects of the imminent interest rate hike cycle in the United States (“U.S.”).

Despite this backdrop of volatile market conditions, the Group’s securities trading and investments activities managed to increase its turnover to HK\$1,268,782,000 (2014: HK\$868,374,000) and achieved a profit, though reduced, of HK\$370,199,000 (2014: HK\$906,834,000) for the year ended 30 June 2015. This was mainly due to the gain in fair value of investments held for trading of HK\$393,717,000 (2014: HK\$765,476,000) and the net gain on disposal of available-for-sale investments of HK\$31,259,000 (2014: HK\$125,946,000), inclusive of the on-market disposals of about 19 million shares of First Steamship Co., Ltd. (益航股份有限公司), but partially affected by the loss in fair value of derivative financial instruments of HK\$17,276,000 (2014: gain of HK\$69,454,000). As at 30 June 2015, the Group maintained a portfolio of available-for-sale investments of HK\$64,749,000 (2014: HK\$168,739,000) and a trading portfolio of HK\$1,830,232,000 (2014: HK\$1,540,273,000).

### **Money Lending**

During the year under review, the Group’s money lending business recorded a decline in interest income from HK\$101,332,000 in 2014 to HK\$18,800,000 in 2015 and profit also declined to HK\$3,486,000 (2014: HK\$72,654,000). As at 30 June 2015, the Group’s loan portfolio decreased to HK\$61,247,000 (2014: HK\$202,103,000).

### **Property Investments**

The Group’s investment properties located in Hong Kong and the People’s Republic of China (“PRC”) recorded a rental income of HK\$4,020,000 compared to HK\$4,005,000 in 2014 and an increase in profit to HK\$18,242,000 (2014: HK\$14,184,000) for the year mainly due to the increase in gain from fair value on its investment properties portfolio to HK\$15,610,000 (2014: HK\$11,498,000). As at 30 June 2015, the Group’s investment properties portfolio amounted to HK\$229,270,000 (2014: HK\$213,660,000).

## Property Development

The Group's property development business in the PRC mainly consists of the Kangya Garden (康雅苑) Phase III development project located in the Jiangning Development Zone in Nanjing in the PRC with a total gross floor area of approximately 40,650 sqm., the construction of which is expected to be completed by the end of 2015. For the year ended 30 June 2015, this business activity recorded a turnover of HK\$5,657,000 (2014: HK\$327,700,000) and a loss of HK\$15,718,000 (2014: profit of HK\$823,000) as the contribution from the Kangya Garden Phase III development project will only be recorded after late 2015.

## Hospital Operation

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 hospital and healthcare services.

For the year ended 30 June 2015, the Group's hospital operation recorded a turnover of HK\$672,481,000 (2014: HK\$636,716,000) and a loss of HK\$37,716,000 (2014: HK\$47,171,000) mainly due to continued inflation and increase in labour cost in the PRC, especially for the medical and technical staff, depreciation and finance costs. Without the depreciation and finance costs, the hospital operation generated a profit of HK\$80,127,000 for 2015, a significant improvement compared to HK\$58,811,000 in 2014.

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) for a consideration of RMB324.995 million. However, as the conditions precedent in the agreement were not fulfilled prior to the long stop date, the agreement was terminated on 15 October 2014.

In May 2014, the Company received a non-binding offer, subject to a formal agreement, for the acquisition of the Group's entire interest in the Jiatai 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 (洋浦兆合實業有限公司) for a consideration of RMB50 million ("Acquisition"). However, as not all of the conditions precedent in the agreement of the Disposal were fulfilled or waived by the relevant parties by the long stop date despite using best endeavours, the Company served a termination notice on the purchasers on 3 March 2015 in accordance with the terms of the agreement. Further, as the Acquisition is a condition precedent to the completion of the Disposal and the Disposal was terminated, accordingly, the vendor and Jiatai Construction entered into an agreement on 23 March 2015 to terminate the Acquisition.

In late June 2015, the Company received an offer to acquire the Group's 60.52% equity interest in Jiatai Construction. However, the Company received a notice dated 28 June 2015 from the purchaser to withdraw the offer. The reason cited by the purchaser was that in view of the recent volatility of the financial market in the PRC, the relevant financing of the proposed acquisition would not be forthcoming. In light of the purchaser's inability to obtain financing and to avoid proceeding with a transaction that may not complete, after seeking legal advice, the Company decided to accept the withdrawal of the offer.

## **PRINCIPAL ASSOCIATED COMPANIES**

For the year ended 30 June 2015, the loss from its share of results of associates (inclusive of former associates), the net gain of reversal of impairment on interest in a former associate and result on distribution in specie of shares of a former associate, the gain on disposal of a former associate and the gain on deemed acquisition of a former associate was HK\$338,512,000 (2014: profit of HK\$254,389,000), HK\$261,266,000 (2014: impairment loss of HK\$232,639,000), HK\$10,665,000 (2014: nil) and nil (2014: gain of HK\$67,116,000) respectively. As at 30 June 2015, following the Distribution in Specie and disposal of the Group's interest in Mabuhay Holdings Corporation, the Group's investment in associates has decreased to HK\$9,001,000 from HK\$415,534,000 in 2014.

### **Aveo China (Holdings) Limited ("Aveo China") (formerly known as Think Future Investments Limited) – 30% owned by the Group**

Aveo China is an investment holding company and through its subsidiaries (the Aveo China Group) engaged in property development and project management businesses in the PRC with focus on elderly care and retirement community. Currently, the Aveo China Group has a development, namely Tide Health Campus (天地健康城), located in Zhu Jia Jiao County, Shanghai in the PRC to develop into a showcase project comprising a health industry headquarter and base, offering a range of elderly care and health services, and retirement related services packages to the elderly. Tide Health Campus (天地健康城) consists of an elderly nursing home, service apartments, independent living units and a commercial area comprising shopping mall, retail shops and club hall facilities. Construction of the elderly nursing home, the independent living units and the commercial areas are expected to be completed around late 2015 to first quarter of 2016 while the construction of the service apartments is in progress.

### **APAC Resources Limited ("APAC") – formerly owned as to approximately 33.32% by the Group**

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. After completion of the Distribution in Specie in December 2014, APAC ceased to be classified as an associate of the Group.

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

MHC is a company incorporated in the Philippines with its shares listed on the Philippine Stock Exchange (“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., whose shares are also listed on the PSE. After disposal of the Group’s interest in MHC in June 2015 resulting in a gain on disposal of HK\$10,665,000, MHC has ceased to be classified as an associate of the Group.

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

As at 30 June 2015, the Group’s non-current assets of HK\$1,888,713,000 (2014: HK\$2,182,366,000) consisted of investment properties of HK\$229,270,000 (2014: HK\$213,660,000), property, plant and equipment of HK\$1,366,311,000 (2014: HK\$1,392,626,000), prepaid lease payments of HK\$118,298,000 (2014: HK\$121,400,000), interests in associates of HK\$9,001,000 (2014: HK\$415,534,000), available-for-sale investments of HK\$11,353,000 (2014: HK\$746,000), intangible assets of HK\$14,844,000 (2014: HK\$15,682,000), nil deposits for acquisition of property, plant and equipment (2014: HK\$22,718,000) and pledged bank deposit of HK\$139,636,000 (2014: nil). These non-current assets are principally financed by the Group’s shareholders’ funds. As at 30 June 2015, the Group’s net current assets decreased to HK\$470,450,000 (2014: HK\$643,991,000).

As at 30 June 2015, the total borrowings and bonds of the Group amounted to HK\$1,874,130,000 (2014: HK\$2,935,360,000) consisting of securities margin loans of HK\$415,359,000 (2014: HK\$857,668,000), unsecured term loan of HK\$302,383,000 (2014: HK\$488,022,000), secured bank borrowings of HK\$246,771,000 (2014: HK\$390,850,000), unsecured bank borrowings of HK\$465,615,000 (2014: HK\$539,577,000), secured other borrowings of HK\$21,238,000 (2014: nil), unsecured other borrowings of HK\$297,834,000 (2014: HK\$258,042,000), discounted bills of HK\$124,930,000 (2014: HK\$154,201,000) and nil bonds (2014: HK\$247,000,000).

Among the total borrowings of the Group, an amount of HK\$1,641,721,000 (2014: HK\$2,233,858,000) was with maturity on demand or within one year, HK\$232,409,000 (2014: HK\$448,254,000) was with maturity of over one year but not exceeding two years and nil borrowings (2014: HK\$6,248,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2015, the Group’s gearing ratio, calculated on the basis of the Group’s net borrowings (total borrowings and bonds less pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity, was reduced to 67.9% from 87.9% in 2014. The Group’s gearing ratio would be adjusted to zero (2014: 12.4%) with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the net borrowings.

During the year under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, US 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 its 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 2015, the Group had no capital commitment contracted but not provided – acquisition of property, plant and equipment (2014: HK\$1,295,000).

In July 2013, Jiatai Group entered into a mutual guarantee agreement (the “Mutual Guarantee”) with China Huali Holding Group Company Limited (中國華力控股集團有限公司, “Huali”), a connected person of Jiatai Construction, pursuant to the Mutual Guarantee, both parties agreed that should any party (inclusive of their subsidiaries) apply for a loan or loans from a bank or financial institution, if the lenders so requires, the other party shall provide a guarantee for the obligations of the borrowers under the borrowings, subject to a cap of RMB300 million. The effective period of the Mutual Guarantee shall be approximately 18 months from 18 July 2013 to 31 December 2014 and further extended to 31 December 2015. As at 30 June 2015, the Jiatai Group provided guarantees of RMB50,000,000 (approximately HK\$62,465,000) (2014: RMB180,000,000 (approximately HK\$224,928,000)) to Huali under the Mutual Guarantee, while Huali and its subsidiary provided guarantees of RMB243,000,000 (approximately HK\$303,581,000) (2014: RMB212,000,000 (approximately HK\$264,915,000)) to Jiatai Group under the Mutual Guarantee.

During the year under review, the Company repurchased a total of 4,928,000 shares (without any adjustment for the Company's share subdivision effective from 15 June 2015) (2014: 11,188,000 shares, without any adjustment for the Company's share subdivision effective from 15 June 2015) in the capital of the Company for an aggregate consideration of HK\$17,902,000 (2014: HK\$25,085,000). These shares have been cancelled.

Pursuant to a resolution passed at a special general meeting of the Company held on 12 June 2015, issued and unissued share of the Company of HK\$0.01 each was subdivided into 20 shares of HK\$0.0005 each of the Company. The share subdivision was completed on 15 June 2015.

## **CHARGE ON GROUP ASSETS**

As at 30 June 2015, the Group's investments held for trading of HK\$1,757,635,000 (2014: HK\$1,495,409,000), interests in associates of nil (2014: HK\$383,500,000), buildings (included in property, plant and equipment) of HK\$586,093,000 (2014: HK\$596,597,000), available-for-sale investments of HK\$10,608,000 (2014: 103,182,000), prepaid lease payment of HK\$91,469,000 (2014: HK\$93,834,000), properties under development for sale of HK\$618,718,000 (2014: HK\$704,588,000), properties held for sale of HK\$19,343,000 (2014: HK\$20,686,000) and pledged bank deposits of HK\$297,147,000 (2014: HK\$238,462,000) were pledged to banks and securities houses to secure credit facilities granted to the Group.



The Jiatai Group's obligations under finance leases are secured by the Jiatai Group's charge over the leased assets. At 30 June 2015, the carrying amount of the Jiatai Group's medical equipment includes an amount of HK\$201,575,000 (2014: HK\$139,143,000) in respect of assets held under finance leases.

## **EMPLOYEES**

The Group had 2,120 employees as at 30 June 2015 (2014: 2,052). 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.

## **POST BALANCE SHEET EVENT**

On 15 September 2015, the Company issued offer letters to all other shareholders of Jiatai Construction to acquire from them the remaining 39.48% equity interest of Jiatai Construction at an aggregate consideration of RMB592,200,000. All the offers under the offer letters have been accepted by 17 September 2015. If these acquisitions are completed, the Group will be interested in the entire equity interests of the Jiatai Construction.

On 23 September 2015, the Company issued offer letter to another shareholder of Aveo China to acquire from it a 40% equity interest of Aveo China at a consideration of HK\$120,000,000. The offer under the offer letter has been accepted on 24 September 2015. If this acquisition is completed, the Group will be interested in 70% equity interests of the Aveo China.

## **PROSPECTS**

The Group considers that the outlook for the private healthcare and elderly care sectors in the PRC is bright due to its favourable demographic (such as aging population) and macro factors (such as growing middle class), supportive government policies and low penetration of private healthcare institutions. Further, there is an increase in the public's awareness of health and safety. As such, private sector investments in medical and healthcare institutions, a key part of the ongoing healthcare reform in China, will continue to provide the Jiatai Group with significant growth opportunities.

The fears of a global economic slowdown and the prospect of an imminent increase in U.S. interest rates continue to weigh on market sentiments and have led to market volatility. These negative factors are further perpetuated by the rising threats of geopolitical conflicts and the weakness in the economic situation in the euro zone countries, the PRC and the emerging markets. As a value investor, the Group will continuously review and adjust its investment strategies, investment portfolio and operations to the prevailing economic and investment environment and 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 4,928,000 ordinary shares (without any adjustment for the Company's share subdivision effective from 15 June 2015) in the capital of the Company on the Stock Exchange in the range from HK\$2.43 to HK\$4.2 per ordinary share for a total consideration of HK\$17,902,000. 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 2015, 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 2015.

## **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 2015.

## **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 2015 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, 24 September 2015

*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.*