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NEW CITY DEVELOPMENT GROUP LIMITED

新城市建設發展集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 0456)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$39,064,000 (2014: HK\$43,808,000)
- Profit for the year was approximately HK\$3,715,000 (2014: HK\$32,964,000)
- Earnings per share (basic) was 0.13 HK cents (2014: 1.30 HK cents)

FINAL RESULTS

The Board of Directors (the “Board”) of New City Development Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31 December 2015 together with the comparative figures in 2014 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*Year ended 31 December 2015*

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
REVENUE	3	39,064	43,808
Cost of services provided		<u>(3,358)</u>	<u>(3,943)</u>
Gross profit		35,706	39,865
Other income and gains	3	14,280	41,900
Administrative and other operating expenses		(25,194)	(21,900)
Finance costs	6	<u>(15,998)</u>	<u>(12,854)</u>
PROFIT BEFORE TAX	5	8,794	47,011
Income tax expense	7	<u>(5,079)</u>	<u>(14,047)</u>
PROFIT FOR THE YEAR		<u>3,715</u>	<u>32,964</u>
Attributable to:			
Owners of the Company		3,715	32,964
Non-controlling interest		<u>–</u>	<u>–</u>
		<u>3,715</u>	<u>32,964</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		<u>0.13 cents</u>	<u>1.30 cents</u>
Diluted		<u>0.13 cents</u>	<u>1.30 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2015*

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
PROFIT FOR THE YEAR	3,715	32,964
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(24,786)	(9,768)
Less: Income tax effect	—	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(24,786)	(9,768)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(21,071)	23,196
Attributable to:		
Owners of the Company	(21,071)	23,196
Non-controlling interest	—	—
	(21,071)	23,196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,358	2,534
Investment properties	10	778,322	737,508
Investment in an associate		–	–
Available for sales investment		–	–
Prepayments	11	69,931	–
Total non-current assets		<u>850,611</u>	<u>740,042</u>
CURRENT ASSETS			
Equity investment at fair value through profit or loss		36,976	–
Prepayments, deposits and other receivables	11	62,562	9,413
Due from an associate		8	6
Due from a related company		8	5
Cash and bank balances		164,278	25,199
Total current assets		<u>263,832</u>	<u>34,623</u>
CURRENT LIABILITIES			
Other payables and accruals	12	99,830	2,002
Deposits received		8,283	8,007
Finance lease payable		165	154
Interest bearing bank and other borrowings, secured	13	–	20,515
Due to a non-controlling shareholder		2,119	–
Due to related parties		2,799	–
Due to directors		1,320	1,205
Tax payable		2,611	3,069
Total current liabilities		<u>117,127</u>	<u>34,952</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>146,705</u>	<u>(329)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		997,316	739,713
NON-CURRENT LIABILITIES			
Other payables	12	–	19,748
Finance lease payable		101	266
Interest bearing bank and other borrowings, secured	13	211,698	113,959
Deferred tax liabilities		156,085	163,293
Total non-current liabilities		<u>367,884</u>	<u>297,266</u>
Net assets		<u>629,432</u>	<u>442,447</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	13,268	10,179
Reserves		615,611	432,268
		<u>628,879</u>	<u>442,447</u>
Non-controlling interest		553	–
Total equity		<u>629,432</u>	<u>442,447</u>

NOTES

1. CORPORATE AND GROUP INFORMATION

New City Development Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 10 August 1998. The registered office of the Company is located at Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and its principal place of business in Hong Kong is situated at Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) is principally engaged in property development and investment in the People’s Republic of China (the “PRC”) which has not been changed during the year.

The shares of the Company have been listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 24 May 2000.

Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Class of share held	Place of incorporation/ establishment	Place of operation	Nominal value of issued ordinary/ paid-up share capital	Percentage of ownership/ interest attributable to the Company		Principal activities
					Direct	Indirect	
NR (BVI) Holdings Limited*	Ordinary	British Virgin Islands (“BVI”)	Hong Kong	US\$47,001	100	–	Investment holdings
Polywell Finance Corporation*	Ordinary	BVI	Hong Kong	US\$1	100	–	Investment holdings
Easy Frontier Holdings Limited*	Ordinary	BVI	Hong Kong	US\$1	100	–	Investment holdings
New City Education Investment Holdings Limited*	Ordinary	BVI	Hong Kong	US\$1	100	–	Investment holdings
New City Medicare Investment Holdings Limited*	Ordinary	Samoa	Hong Kong	US\$1	100	–	Investment holdings

Name	Class of share held	Place of incorporation/ establishment	Place of operation	Nominal value of issued ordinary/ paid-up share capital	Percentage of ownership/ interest attributable to the Company		Principal activities
					Direct	Indirect	
New City Aviation Investment Holdings Limited	Ordinary	Hong Kong	Hong Kong	N/A	100	–	Investment holdings
New City Cultural Investment Holdings Limited	Ordinary	Hong Kong	Hong Kong	N/A	100	–	Investment holdings
Perfection King Limited [#]	Ordinary	Hong Kong	Hong Kong	N/A	100	–	Investment holdings
New City Development Services Holdings ^{*#}	Ordinary	Samoa	Hong Kong	US\$1	100	–	Investment holdings
Ultimate Perfect Limited ^{*#}	Ordinary	Samoa	Hong Kong	US\$1	100	–	Investment holdings
New Rank (BVI 2) Limited*	Ordinary	BVI	Hong Kong	US\$36,000	–	100	Investment holdings
Precise Assets Limited*	Ordinary	BVI	Hong Kong	US\$1	–	100	Investment holdings
Team Success Management Limited*	Ordinary	BVI	Hong Kong	US\$1	–	100	Inactive
New Rank Services Limited	Ordinary	Hong Kong	Hong Kong	N/A	–	100	General management
Very Best Investments Limited*	Ordinary	BVI	Hong Kong	US\$1	–	100	Inactive
Brilliant Centres Limited	Ordinary	Hong Kong	Hong Kong	N/A	–	100	Inactive
French Land Limited*	Ordinary	Marshall Island	Hong Kong	US\$50,000	–	100	Investment holdings
Fudi International Holding Co., Limited	Ordinary	Hong Kong	Hong Kong	N/A	–	100	Investment holdings

Name	Class of share held	Place of incorporation/ establishment	Place of operation	Nominal value of issued ordinary/ paid-up share capital	Percentage of ownership/ interest attributable to the Company		Principal activities
					Direct	Indirect	
Guangdong Changliu Investment Company Limited*	Contributed capital	PRC	PRC	RMB 40,000,000	–	100	Property development and investment in Guangzhou
Kayuan Enterprise Investment Co., Limited*	Ordinary	Marshall Islands	Hong Kong	US\$50,000	–	100	Inactive
Novel Apex Investments Limited	Ordinary	Hong Kong	Hong Kong	N/A	–	100	Investment holdings
New City Car Parking Development Operation Limited [#]	Ordinary	Hong Kong	Hong Kong	N/A	–	70	Inactive
Faith Onward (Hong Kong) Investments Limited [@]	Ordinary	Hong Kong	Hong Kong	N/A	–	100	Investment holdings
信誠(洛陽)酒店物業管理有限公司 ^{@*}	Capital contribution	PRC	PRC	RMB 2,000,000	–	90	Investment holdings
洛陽萬亨置業有限公司 ^{@*}	Capital contribution	PRC	PRC	RMB 8,000,000	–	90	Property development and investment in Luoyang

[#] These subsidiaries were newly incorporated during the year.

^{*} Not audited by Ascenda Cachet CPA Limited.

[@] These subsidiaries were acquired on 31 December 2015, details of which are set out in note 15 to this announcement.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investment at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control as described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 19 Annual Improvement to 2010-2012 cycle	Defined Benefit Plans: Employee Contributions Amendments to a number of HKFRSs
Annual Improvements to 2011-2013 cycle	Amendments to a number of HKFRSs

The adoption of the above revised standards has had no significant financial effect on these consolidated financial statements except as follows:

- (a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

- (b) The Annual Improvements to HKFRSs 2010-2012 Cycle issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 8 Operating Segments: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

HKAS 16 Property, Plant and Equipment and HKAS 38 Intangible Assets: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

HKAS 24 Related Party Disclosures: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Details of related party transactions have been disclosed in note 20 to this announcement.

- (c) The Annual Improvements to HKFRSs 2011–2013 Cycle issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 3 Business Combinations: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

HKFRS 13 Fair Value Measurement: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

HKAS 40 Investment Properties: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment properties and owner-occupied properties, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. Details of investment properties have been disclosed in note 10 to this announcement.

In addition, the requirements of Part 9 “Accounts and Audit” of the Hong Kong Companies Ordinance, Cap.622 came into effect for the first time during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, which are applicable to the Group, that have been issued but are not yet effective, in these consolidated financial statements.

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

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. During 2015, the Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information from being made available to the Group in the future. The Group expected impacts arising from the adoption of HKFRS 9 are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of HKFRS 9.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

- (i) the materiality requirements in HKAS 1;
- (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of property management services rendered and gross rental income received and receivable from the investment properties.

An analysis of revenue, other income and gains is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Rental income and related management service income	<u>39,064</u>	<u>43,808</u>
Other income and gains		
Interest income	967	710
Gain on disposal of items of property, plant and equipment	–	8
Fair value gain on equity investment at fair value through profit or loss	2,726	–
Fair value gain on investment properties (<i>note 10</i>)	10,585	41,180
Others	<u>2</u>	<u>2</u>
	<u>14,280</u>	<u>41,900</u>
Total revenue, other income and gains	<u><u>53,344</u></u>	<u><u>85,708</u></u>

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's primary operating segment is property development and investment in the PRC. Since this is the only operating segment of the Group, no further analysis thereof is presented.

Geographical information

The Group operates principally in the PRC. Over 90% of the Group's assets are located in the PRC and over 90% of the revenue are generated in the PRC. Accordingly, no further geographical information of total asset and revenue was disclosed.

Information about a major customer

Rental income and related management service income

There are no significant concentrations of credit risk within the Group because there is a large number of diversified tenants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditors' remuneration	400	380
Cost of services provided	3,358	3,943
Depreciation		
– owned assets	357	801
– leased assets	184	184
	<u>541</u>	<u>985</u>
Employee benefits expenses (including directors' remuneration):		
Wages and salaries	9,849	9,533
Pension scheme contributions	544	262
	<u>10,393</u>	<u>9,795</u>
Minimum lease payments under operating leases on land and buildings*	1,554	1,501
Direct operating expenses arising from rental income and related management service income	2,079	2,344
Exchange loss, net	691	–
Interest income	(967)	(710)
Gain on disposal of items of property, plant and equipment	–	(8)
Fair value gain on equity investment at fair value through profit or loss	(2,726)	–
Fair value gain on investment properties (<i>note 10</i>)	<u>(10,585)</u>	<u>(41,180)</u>

* Minimum lease payments under operating leases on land and buildings included rental for director quarter of HK\$624,000 (2014: HK\$624,000).

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Prepaid administrative fee for the bank borrowings (<i>note 13</i>)	4,238	1,339
Interest on:		
Bank and other borrowings, secured and wholly repayable: beyond five years	11,738	11,483
Finance leases	22	32
	<u>15,998</u>	<u>12,854</u>

7. INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2014: Nil).

Under the Corporate Income Tax Law, the corporate income tax ("CIT") is calculated at a rate of 25% (2014: 25%) on the Group's estimated assessable profits arising in the PRC during the year.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax:		
Hong Kong	–	–
PRC	3,042	4,159
Over provision in previous year	(150)	(72)
	<u>2,892</u>	<u>4,087</u>
Deferred tax	2,187	9,960
	<u>5,079</u>	<u>14,047</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to effective tax rates, are as follows:

	2015		2014	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Profit before tax	<u>8,794</u>		<u>47,011</u>	
Tax at the statutory tax rates	3,229	36.7	12,774	27.2
Income not subject to tax	(31)	(0.4)	(113)	(0.2)
Expenses not deductible for tax	2,032	23.1	1,420	3.0
Tax benefit (utilised)/not recognised	(1)	(0.1)	38	0.1
Over provision in previous year	(150)	(1.7)	(72)	(0.2)
Tax charge at effective rate	<u>5,079</u>	<u>57.6</u>	<u>14,047</u>	<u>29.9</u>

As at 31 December 2015 and 2014, the Group has not provided for deferred tax assets in respect of tax losses available and decelerated depreciation for offsetting future assessable profits calculated at the rate of 16.5% (2014: 16.5%) as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Tax losses	255	255
Decelerated depreciation	155	156
	<u>410</u>	<u>411</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the years ended 31 December 2015 and 2014.

The calculations of basic earnings per share are based on:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	<u><u>3,715</u></u>	<u><u>32,964</u></u>
	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings per share calculation	<u><u>2,784,325,283</u></u>	<u><u>2,544,787,999</u></u>

No adjustment has been made to the basic earnings per share for the years ended 31 December 2015 and 2014 in respect of a dilution as there was no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

9. DIVIDENDS

The directors did not recommend the payment of any dividend for the year ended 31 December 2015 (2014: Nil).

10. INVESTMENT PROPERTIES

	The Guangzhou Properties at fair value		The Luoyang Properties at cost		Total	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Completed project						
Investment properties in Guangzhou (<i>note (a)</i>)						
Carrying amount at 1 January	737,508	714,240	–	–	737,508	714,240
Change in fair value of investment properties (<i>note 3</i>)	10,585	41,180	–	–	10,585	41,180
Exchange realignment	(42,433)	(17,912)	–	–	(42,433)	(17,912)
	705,660	737,508	–	–	705,660	737,508
Incomplete project						
Investment properties in Luoyang (<i>note (b)</i>)						
Acquisition of subsidiaries (<i>note 15</i>)						
– Construction in progress, at cost	–	–	72,662	–	72,662	–
	–	–	72,662	–	72,662	–
Carrying amount at 31 December	705,660	737,508	72,662	–	778,322	737,508

Note:

- (a) Investment properties in Guangzhou (the “Guangzhou Properties”) are situated at Nos. 20-22 Chigang West Road, Haizhu District, Guangzhou City, Guangdong Province, the PRC and are held under medium term leases.

The Guangzhou Properties were leased to tenants under operating leases for rental income and management service income (*note 3*), further summary details of which are included in *note 16* to this announcement. The Guangzhou Properties were stated at fair value at the end of the reporting period.

At 31 December 2015, the Guangzhou Properties with carrying value of approximately HK\$705,660,000 (2014: HK\$737,508,000) were pledged to secure bank borrowings, details of which are set out in *note 13* to this announcement.

The fair value of the Guangzhou Properties has been assessed by an independent valuer, Savills Valuation and Professional Services Limited (“Savills”), by using income approach to be RMB600,000,000 (equivalent to approximately HK\$705,660,000) (2014: RMB591,000,000, equivalent to approximately HK\$737,508,000 under by direct comparison approach) as at 31 December 2015.

- (b) Investment properties in Luoyang (the “Luoyang Properties”) represented the construction in progress of a parcel of land which are situated at 洛陽新區伊濱區環湖路以東、白塔路以南、開拓大道以西、用地界以北, Luoyang, the PRC. The Luoyang Properties were newly acquired through the acquisition of the subsidiaries (note 15) during the year ended 31 December 2015. The Luoyang Properties comprise a parcel of land held under medium term leases with a site area of 69,942.185 square meters which are buildable into a total gross floor area of 173,724.12 square metres. Its carrying amount comprised the land use right and directly attributable costs and was stated at acquisition cost of RMB61,782,000 (equivalent to approximately HK\$72,662,000) and less impairment, if any. The Directors are of opinion that the construction planning of the Luoyang Properties has yet been determined as at 31 December 2015 and accordingly, its fair value cannot be measured reliably.

The recoverable amount of the Luoyang Properties has been assessed by an independent valuer, Savills, as at 31 December 2015. No impairment related to the Luoyang Properties had been provided as the recoverable amount of the Luoyang Properties was higher than its carrying amount as at 31 December 2015.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Prepayments		
– Prepaid administrative fee (<i>note 13(c)</i>)	–	4,445
– Prepaid design fee (the “Prepaid Design Fee”) for the Luoyang Properties (<i>note (a)</i>)	1,482	–
– Prepaid renovation and improvement cost (the “Prepaid Renovation Costs”) for the Guangzhou Properties (<i>note (b)</i>)	68,449	–
– Others	926	818
Deposits	274	274
Other receivables		
– Due from the Subscriber (<i>note (c)</i>)	29,003	–
– Due from Beijing Zhongzheng (<i>note (d)</i>)	31,755	–
– Others	604	3,876
	132,493	9,413
Less: Non-current portion		
Prepaid Design Fee and Prepaid Renovation Costs classified as non-current portion	(69,931)	–
Current portion	62,562	9,413

Notes:

- (a) The Prepaid Design Fee represented a design fee paid to a construction consultant, an independent third party, for the Luoyang Properties with a total contract sum of RMB11,000,000 (equivalent to approximately HK\$12,937,000). As at 31 December 2015, an aggregate amount of RMB1,260,000 (equivalent to approximately HK\$1,482,000) has been prepaid by the Group to the consultant for preparation of the design work.
- (b) On 28 August 2015, the Group entered into a properties renovation, improvement and upgrading contract (裝修及設備改造項目工程施工合同) (the “Renovation Contract”) with 北京吉彩裝飾工程有限公司 (“北京吉彩”, a related company of the Company, of which Mr. Han Junran (“Mr. Han”), a director and substantial shareholder of the Company and his closely family members are the ultimate shareholders, for the renovation, improvement and upgrading of the Guangzhou Properties (the “Properties Improvement”) with a total contract sum (the “Contract Sum”) of RMB133,500,000 (equivalent to approximately HK\$157,009,000). Pursuant to the Renovation Contract, the Group is required to pay a prepayment (the “Prepaid Renovation Costs”) of RMB80,100,000, being 60% of the Contract Sum, to 北京吉彩 with the remaining 35% and 5% of the Contract Sum payable upon completion and user acceptance of the Properties Improvement and 10 days after the 2 years’ maintenance period, respectively. The renovation period is from 15 September 2015 to 15 September 2017. As at 31 December 2015, an aggregate amount of RMB58,200,000 (equivalent to approximately HK\$68,449,000) has been prepaid by the Group to 北京吉彩 which is guaranteed by 北京貝盟國際建築裝飾工程有限公司, an independent third party (the “Guarantor”) pursuant to an agreement (the “Three Parties Agreement”) entered into between the Group, 北京吉彩 and the Guarantor on 28 August 2015 whereby the Guarantor irrevocably guarantees and undertakes to procure 北京吉彩 to execute and fulfill its duties and responsibilities (the “Duties”) under the Renovation Contract. Upon 北京吉彩’s failure to perform its Duties, the Guarantor shall (i) repay to the Group the Prepaid Renovation Costs; and (ii) perform the Duties on behalf of 北京吉彩 at the Group’s request. On 15 March 2016, the Group further entered into an agreement with Mr. Han pursuant to which, Mr. Han further guarantees the responsibilities and duties of the Guarantor under the Three Parties Agreement. As at 31 December 2015, none of the Properties Improvement work has been commenced under the Renovation Contract.
- (c) Amount represented balance of the deemed receivable from the Company for the issuance of 136,060,042 shares at a subscription price of HK\$0.247 per share to the Subscriber for his undertaking of the settlement for the Company of the Judgement Debt which was estimated to be RMB27,660,000 (equivalent to approximately HK\$33,607,000) in respect of the Litigation filed by Shanghai Fudan.

As detailed in notes 12(d) and 19 to this announcement, the Judgement Debt was finally agreed to be RMB27,000,000 and RMB3,000,000 of which has been settled by the Subscriber to Shanghai Fudan as at 31 December 2015 with the remaining balance will be settled by 4 quarterly installments on 31 March, 30 June, 30 September and 31 December 2016, respectively.

Terms in Capital Letters are defined in note 19 to this announcement.

- (d) Amount represented the Judgement Debt recoverable from Beijing Zhongzheng in respect of the Litigation filed by Shanghai Fudan.

As detailed in note 19 to this announcement, subsequent to the end of the reporting period in March 2016, Beijing Zhongzheng agreed to fully pay back the Judgement Debt to the Company together with (i) an interest at 15% per annum; and (ii) a fixed sum of RMB5,000,000 (equivalent to approximately HK\$5,881,000) as compensation which shall be settled on or before 7 March 2018 and is guaranteed by 北京桑普新源技術有限公司, an independent third party. Accordingly, the Directors are of the opinion that the Judgement Debt will be fully recovered from Beijing Zhongzheng and no further provision of the Litigation was recognised in the consolidated statement of profit or loss during the year ended 31 December 2015.

Terms in Capital Letters are defined in note 19 to this announcement.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

12. OTHER PAYABLES AND ACCRUALS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Accrued expenses	2,482	1,755
Other payables	1,884	247
Loans from 誠達 (<i>note (a)</i>)		
– Loan 1	–	6,052
– Loan 2	–	8,299
Due to 誠達 (<i>note (b)</i>)	8,737	5,397
Due to Faith Grand Investments Limited (“Faith Grand”) (<i>note (c)</i>)	58,500	–
Due to Shanghai Fudan (<i>notes (d) and 19</i>)	28,227	–
	<u>99,830</u>	<u>21,750</u>
Less: Non current portion	–	(19,748)
Current portion	<u>99,830</u>	<u>2,002</u>

Note:

- (a) As at 31 December 2014, the amounts represented the outstanding balance of two loans obtained by Guangdong Changliu Investment Company Limited (“Changliu”), an indirect subsidiary of the Company, from 北京誠達順逸商貿有限公司 (“誠達”), one of its major creditors and an ex-substantial shareholder of the Company with principal amount of RMB20,000,000 (equivalent to approximately HK\$24,920,000) and RMB6,650,000 (equivalent to approximately HK\$8,299,000), respectively.

Both of the loans were interest-bearing with the interest amount fully waived by 誠達 subsequently. The loans had been fully prepaid and settled during the year ended 31 December 2015.

- (b) The amount due to 誠達 is unsecured, interest-free and has no fixed terms of repayment.
- (c) Amount represented balance of the consideration on acquisition of Faith Onward (Hong Kong) Investments Limited (note 15) which has been settled subsequent to the end of the reporting period on 7 January 2016 and 5 February 2016, respectively.
- (d) Amount represented the balance of the Judgement Debt payable to Shanghai Fudan in respect of the Litigation filed by Shanghai Fudan.

As detailed in note 19 to this announcement, the Group was involved in the Litigation with Shanghai Fudan during the year ended 31 December 2015 and is liable to pay for the Judgement Debt of RMB27,000,000 (equivalent to approximately HK\$31,755,000). During the year, RMB3,000,000 of the Judgement Debt has been settled by the Subscriber for the Company and outstanding balance of RMB24,000,000 (equivalent to approximately HK\$28,227,000) as at 31 December 2015 is repayable by 4 quarterly installments on 31 March, 30 June, 30 September and 31 December 2016, respectively.

Despite the Judgment Debt has been undertaken by the Subscriber (note 11(c)), the amount payable to Shanghai Fudan was not offset against the amount due from the Subscriber as the Directors consider that the obligation of the Judgment Debt is retained in the Group, and therefore, the amount due from the Subscriber was recognised as “other receivables” in the consolidated statement of financial position.

13. INTEREST BEARING BANK AND OTHER BORROWINGS, SECURED

	Effective interest rate (%)	Maturity	2015 HK\$'000 (note)	2014 HK\$'000
Bank loan – ICBC Loan <i>(notes (a) and (c))</i>	8.0%-9.5%	2021	–	18,818
Other loan – Sichuan Loan <i>(notes (b) and (c))</i>	8.0%-9.4%	2021	–	115,656
Bank loan – Guangzhou Loan <i>(note (d))</i>	5.9%-6.2%	2020	211,698	–
			211,698	134,474
Analysed into:				
Repayable:				
Within one year or on demand			–	20,515
In the second to fifth years, inclusive			211,698	82,062
Beyond five years			–	31,897
Total			211,698	134,474
Current portion			–	(20,515)
Non current portion			211,698	113,959

Note:

All the bank and other borrowings are denominated in RMB and are secured by legal charges over the Guangzhou Properties (note 10). Details of the secured interest bearing bank and other borrowings are as follows:

- (a) On 15 June 2011, Guangdong Changliu Investment Company Limited (“Changliu”), an indirect subsidiary of the Company, entered into a loan agreement (the “ICBC Loan Agreement”) with Industrial and Commercial Bank of China (“ICBC”), pursuant to which, ICBC agreed to grant a loan (the “ICBC Loan”) in the amount of RMB140 million to Changliu with a term of 10 years, of which RMB19.7 million (equivalent to HK\$24,546,200) had been drawn down by Changliu. The ICBC Loan bore interest at the benchmark annual lending and deposit rate of the People’s Bank of China and was repayable by 120 monthly installments from July 2011 onwards. The ICBC Loan has been fully prepaid and settled during the year ended 31 December 2015.

- (b) As for the undrawn balance of RMB120.3 million, ICBC had procured Sichuan Trust Co., Limited (the “Sichuan Trust”) to enter into a loan agreement (the “Sichuan Trust Loan Agreement”) with Changliu on 2 August 2011, pursuant to which, Sichuan Trust agreed to provide a loan in the amount of RMB\$120.3 million (the “Sichuan Trust Loan”) to Changliu with a term of 10 years which had been fully drawn down by Changliu. The Sichuan Trust Loan bore interest at 120% of the benchmark annual lending and deposit rate of the People’s Bank of China with the principal amount repayable by 40 quarterly installments and interest repayable on a monthly basis since August 2011. The Sichuan Trust Loan has been fully prepaid and settled during the year ended 31 December 2015.
- (c) In addition, ICBC charged (i) 30% of the interest on the ICBC Loan; and (ii) 10% of the interest on the Sichuan Trust Loan, as administrative fee for the arrangement of the ICBC Loan and the Sichuan Trust Loan. The aggregate amount of RMB7,543,640 (equivalent to approximately HK\$9,399,000) had been fully prepaid in prior years and is to be amortised to the consolidated statement of profit or loss at the effective interest rate over a 10-year period since 2011. However since both of the ICBC Loan and the Sichuan Trust Loan have been fully prepaid and settled during the year ended 31 December 2015, the remaining balance of the prepaid administrative fee of RMB3,562,920 (equivalent to approximately HK\$4,238,000) was fully recognised as finance cost in the consolidated statement of profit or loss (note 6).
- (d) On 3 August 2015, Changliu entered into a loan agreement (the “BOGZ Loan Agreement”) with Bank of Guangzhou (“BOGZ”), pursuant to which, BOGZ agreed to grant a loan (the “BOGZ Loan”) in the amount of RMB180,000,000 (equivalent to HK\$211,698,000) to Changliu for a term of 5 years, which is secured by legal charges over the Guangzhou Properties and has been fully drawn down by Changliu. The BOGZ Loan bears interest at 125% of the benchmark annual lending and deposit rate of the People’s Bank of China, which is repayable on a quarterly basis. The principal amount of the BOGZ Loan is repayable as follows: (i) four instalments of RMB1,500,000 (equivalent to approximately HK\$1,764,000) each on or before February 2017, August 2017, February 2018 and August 2018, respectively; (ii) four instalments of RMB10,000,000 (equivalent to HK\$11,761,000) each on or before February 2019, August 2019, February 2020 and August 2020, respectively; and (iii) the remaining balance of RMB134,000,000 (equivalent to approximately HK\$157,598,000) on or before August 2020.

14. SHARE CAPITAL

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Authorised:		
10,000,000,000 ordinary shares of HK\$0.004 each	<u>40,000</u>	<u>40,000</u>
Issued and fully paid:		
3,317,045,040 (2014: 2,544,787,999) ordinary shares of HK\$0.004 each	<u>13,268</u>	<u>10,179</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 1 January 2015	2,544,787,999	10,179	253,344	263,523
Open offer of shares (<i>note (a)</i>)	636,196,999	2,545	175,590	178,135
Issuing cost relating to the open offer	–	–	(4,239)	(4,239)
Issue of shares for settlement of the Judgement Debt (<i>note (b)</i>)	136,060,042	544	33,063	33,607
	<u>3,317,045,040</u>	<u>13,268</u>	<u>457,758</u>	<u>471,026</u>

Notes:

- (a) On 17 August 2015, the Company completed an open offer of 636,196,999 offer shares at a price of HK\$0.28 per offer share on the basis of one offer share for every four shares held. The net proceeds from the open offer amounted to approximately HK\$173,896,000 after deduction of direct attributable costs of HK\$4,239,000 and was applied as general working capital of the Group and acquisition of possible investments.
- (b) As detailed in note 19 to this announcement, the Company entered into a subscription agreement (the "Subscription Agreement") with Mr. Zhu Ya Yong (朱亞勇) (the "Subscriber") on 30 November 2015, pursuant to which, a total 136,060,042 subscription shares of the Company were issued at a subscription price of HK\$0.247 per share to the Subscriber for his undertaking of the settlement for the Company of the Judgement Debt of the Company in respect of the Litigation filed by Shanghai Fudan on 30 December 2015.

15. ACQUISITION OF SUBSIDIARIES

On 30 October 2015, the Group entered into a sale and purchase agreement (the "Faith Onward Acquisition Agreement") with Faith Grand Investments Limited ("Faith Grand", a related company of the Company, of which Mr. Han Kairan, a director and substantial shareholder of Faith Grand, is a closely family member of Mr. Han Junran, a director and substantial shareholder of the Company. Pursuant to the Faith Onward Acquisition Agreement, the Group acquired (the "Faith Onward Acquisition") (i) 100% equity interest of Faith Onward (Hong Kong) Investments Limited ("Faith Onward"), and 90% equity interest of 信誠(洛陽)酒店物業管理有限公司 and its subsidiary, 洛陽萬亨置業有限公司 (collectively, the "Faith Onward Group"); and (ii) the amounts due to the Company's subsidiary of HK\$41,058,000 by the Faith Onward Group (the "Sales Loan") at a total consideration of HK\$68,000,000. The Faith Onward Group is principally engaged in the property development and investment in Luoyang, the PRC. The Faith Onward Acquisition was completed on 31 December 2015 (the "Acquisition Date").

The Directors are of the opinion that the principal asset of the Faith Onward Group is the Luoyang Properties (note 10) which represent a parcel of land in Luoyang and is classified as construction in progress in the consolidated statement of the financial position of the Faith Onward Group. As the Faith Onward Group did not have any operation as at the Acquisition Date and therefore, the Faith Onward Acquisition is not accounted for as a business combination as the Group obtained control of Faith Onward through the Faith Onward Acquisition that are not business. Accordingly, the excess of the consideration over the individual identifiable assets and liabilities of the Faith Onward Group as at the Acquisition Date has been recognised in the construction in progress.

Details of the fair value of identifiable assets and liabilities of the Faith Onward Group at the Acquisition Date are as follows:

	At carrying amount of identifiable assets and liabilities <i>HK\$'000</i>	At fair value of identifiable assets and liabilities <i>HK\$'000</i>
Property, plant and equipment	373	373
Construction in progress (<i>note 10(b)</i>)	44,266	72,662
Prepayments	1,482	1,482
Due from a director	–	–
Cash and bank balance	98	98
Other payables	(53)	(53)
Due to a related party	(1,774)	(1,774)
Due to a non-controlling shareholder	(4,318)	(4,318)
Due to a subsidiary of the Company by the Faith Onward Group (the Sales Loan)	<u>(41,058)</u>	<u>(41,058)</u>
Net (liabilities)/assets of the Faith Onward Group	<u>(984)</u>	27,412
Exchange reserves		83
Non controlling interest		(553)
Less: The Sales Loan		<u>41,058</u>
Cash consideration		<u><u>68,000</u></u>

An analysis of the cash flows in respect of the Faith Onward Acquisition is as follows:

HK\$'000

Cash consideration	68,000
Cash and bank balances acquired	<u>(98)</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	<u><u>67,902</u></u>

Since the Faith Onward Acquisition, the Faith Onward Group did not contribute to the Group's revenue and consolidated loss for the year ended 31 December 2015.

Had the Faith Onward Acquisition been taken place at the beginning of the year ended 31 December 2015, the Group's revenue and consolidated loss for year would have been approximately HK\$39,064,000 and HK\$2,260,000, respectively.

16. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases the Guangzhou Properties (note 10) under operating lease arrangements, with leases negotiated for a term ranging from 1 to 5 years (2014: for a term of 1 year).

At 31 December 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	14,627	17,677
In the second to fifth years, inclusive	14,074	—
	<u>28,701</u>	<u>17,677</u>

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years (2014: 1 to 2 years).

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	665	1,541
In the second to fifth years, inclusive	85	642
	750	2,183

17. OTHER COMMITMENTS

In addition to the operating lease commitments detailed in note 16 to this announcement above, the Group had the following commitments at the end of the reporting period.

(a) Proposed acquisition

On 8 November 2013, the Group entered into a co-operation agreement (the “Agreement”) with an independent third party (the “Vendor”) and Qingdao Chengtai Real Estate Development Company Limited 青島成泰房地產開發有限公司 (“Qingdao Chengtai”). Pursuant to which, the Group will acquire (the “Qingdao Acquisition”) the entire equity interest in Qingdao Chengtai in 2 phases at a consideration (the “Consideration”) of RMB 200,000,000 (equivalent to HK\$235,220,000), subject to the upward adjustment.

The principal asset of Qingdao Chengtai is a leasehold land (the “Land”) located in Qingdao City, Shangdong Province, the PRC which is intended for the development of real estate (the “Project”).

For the first phase (the “1st Phase”) of the Qingdao Acquisition, the Group shall acquire 65% equity interest in Qingdao Chengtai when, among other things, the planning approval of the Project is obtained from the relevant government authorities, which should be completed on or before 8 July 2014. For the second phase (the “2nd Phase”) of the Qingdao Acquisition, the Group shall acquire the remaining 35% equity interest in Qingdao Chengtai when the Project has been completed.

The Consideration shall be satisfied by (i) as to RMB80,000,000 (equivalent to HK\$94,088,000) by cash and payable upon the completion of the 1st Phase; and (ii) as to RMB120,000,000 (equivalent to HK\$141,132,000), subject to an upward adjustment, by transferring the corresponding parts of the real estate of the Project which worth RMB120,000,000 (equivalent to approximately HK\$141,132,000) and payable upon the completion of the 2nd Phase.

As at 31 December 2015, the Qingdao Acquisition has yet to be completed. On 19 June 2015, the Group further entered into a supplemental agreement with the Vendor to extend the completion date of the 1st Phase of the Qingdao Acquisition to 30 June 2016. As at the date of approval of this announcement, both of the 1st Phase and the 2nd Phase of the Qingdao Acquisition have not been completed.

(b) Capital injection

On 12 July 2014, the Company entered into a letter of intent for the co-operation with an independent third party (the “Partner”), pursuant to which, a Hong Kong company, New City Fortune Medicare Group Limited (“NC Fortune Medicare”) was incorporated, of which, 34% equity interest in NC Fortune Medicare was held by the Group. NC Fortune Medicare will then set up a wholly-owned subsidiary in Shanghai (the “Shanghai Subsidiary”) for the development of medicare business in various cities in the PRC. The registered capital of the Shanghai Subsidiary will be RMB1,000,000. As at 31 December 2015, none of the RMB340,000 (equivalent to approximately HK\$400,000) being the capital to be contributed by the Group, has been injected by the Company to the Shanghai Subsidiary through NC Fortune Medicare.

(c) Capital commitments

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted, but not provided for		
Construction design contract for the Luoyang Properties <i>(note 11(a))</i>	11,455	–
Renovation Contract for the Guangzhou Properties <i>(note 11(b))</i>	88,560	–
	<u>100,015</u>	<u>–</u>

18. CONTINGENT LIABILITIES

On 1 February 2013, 洛陽萬亨置業有限公司 (“洛陽萬亨”), a subsidiary of the Company upon completion of the Faith Onward Acquisition (note 15), entered into a 國有建設用地使用權出讓合同 (the “Land Use Right Agreement”) with 洛陽國土資源局 (“國土局”) for the acquisition of a land use right at a consideration of approximately RMB31,270,000 (equivalent to approximately HK\$36,777,000) (note 10(b)). Pursuant to the Land Use Right Agreement, 洛陽萬亨 is required to commence and complete the construction of the Luoyang Properties on or before 1 September 2013 and 1 September 2016 (the “Construction Period”), respectively. A penalty (the “Penalty”) calculated at 0.1% on the consideration of the land use right will be imposed by 國土局 if the completion of the construction is fall beyond the Construction Period. The land use right may also be forfeited by 國土局 if the construction has not been completed beyond 60 days of Construction Period. The construction of the Luoyang Properties has yet been commenced as at the date of this announcement. The Directors have sought a legal advice from a PRC lawyer and are of the opinion that the delay of the construction of the Luoyang Properties was due to the changing of land policy from the Luoyang government and the risk for the Penalty is minimal. Accordingly, no provision in respect of the Penalty, if any, has been included in the consolidated financial statements as at 31 December 2015.

19. LITIGATION

The Company and 北京中証房地產開發有限公司 (literally translated as Beijing Zhong Zheng Real Estate Development Company Limited) (“Beijing Zhongzheng”), an ex-subsiary of the Company which was disposed of in 2010, received a civil summons dated 15 May 2014 from the Higher People’s Court of Beijing City (the “Higher Court”), pursuant to which, an application for retrial of a civil court case (the “Litigation”) had been filed by 上海復旦光華信息科技股份有限公司 (literally translated as Shanghai Fudan Guanghua Information Technology Company Limited) (“Shanghai Fudan”). The Litigation was stemmed from a series of civil court proceedings commenced by Shanghai Fudan in Beijing No. 1 Intermediate People’s Court and the other courts in the PRC since 2003 which alleged that Beijing Zhongzheng had failed to perform its obligation under a sale contract dated 27 June 2002 for selling certain real properties (the “Properties Transactions”) in the PRC to Shanghai Fudan at a consideration of US\$1,755,432 (equivalent to approximately HK\$13,605,000) entered into between Beijing Zhongzheng and Shanghai Fudan (the “Allegation”). The Company became one of defendants as Shanghai Fudan claimed that Mr. Leung Kwo (梁戈) (“Mr. Leung”), the ex-director and former chairman of the Company, entered into a guarantee agreement (the “Guarantee Agreement”) with Shanghai Fudan on 28 June 2002 for and on behalf of the Company, pursuant to which, the Company acted as a guarantor to guarantee Shanghai Fudan that Beijing Zhongzheng should perform its obligation under the Properties Transactions.

In view of the Litigation, the directors of the Company (the “Directors”) have conducted extensive investigations, in which (i) the Directors have inspected all the minutes of the meetings of its board of directors from the date of its incorporation to the end of year 2013 to see if the Allegation has ever been brought to the attention of the Directors, (ii) the Directors have contacted the key management personnel of Beijing Zhongzheng for ascertaining the merits of the Allegation, (iii) the Directors have discussed in their meeting to determine the financial impact of the Litigation

and the Allegation, and (iv) sought for legal advices from the lawyers in the Cayman Islands and the PRC (collectively, the “Lawyers”) in respect of the Litigation. From such investigations, the Company found that (i) there was no record showing that the Allegation has ever been brought to the attention of the Directors and they did not approve and sign the Guarantee Agreement, (ii) Beijing Zhongzheng was aware of the Allegation and Litigation, but it has no records in respect of the sales of the Properties Transactions or the receipt of the sales proceeds as alleged in the Litigation.

On 29 July 2015, the Company received, through the Lawyer, the judgment dated 14 May 2015 (the “Judgment”) granted by the Higher Court in respect of the Litigation, pursuant to which, the Higher Court overruled its own judgment dated 26 July 2013 and upheld the judgment dated 10 November 2010 granted by Beijing No.1 Intermediate People’s Court. The Higher Court ruled that both the Properties Transactions and the Guarantee Agreement were legally effective. The Higher Court also ordered that both the Company and Beijing Zhongzheng shall be jointly liable to repay to Shanghai Fudan the sum of RMB14,529,886 together with interest accrued thereon from 1 July 2002 up to the date of payment (collectively, the “Judgment Debt”) (which was preliminary estimated by the Directors to be approximately RMB27,660,000 (equivalent to approximately HK\$33,607,000) (note 11(c)).

On 30 November 2015, the Company entered into a subscription agreement (the “Subscription Agreement”) with Mr. Zhu Ya Yong (朱亞勇) (the “Subscriber”), pursuant to which, the Subscriber agreed to negotiate with Shanghai Fudan for the entering into a debt settlement agreement between the Company, Shanghai Fudan and the Subscriber. It was intended that upon the completion of the debt settlement agreement, (i) the Company’s obligation to repay the Judgment Debt will be assumed or satisfied by the Subscriber; and (ii) the Company will be indebted to the Subscriber for a sum of HK\$33,606,830 which will be satisfied by way of the issuing of 136,060,042 shares of the Company at a subscription price of HK\$0.247 per share.

Subsequently, 北京億隆悅泰投資有限公司 (literally translated as Beijing Yi Long Yuet Thai Investments Limited (“Beijing Yi Long”), a related company of the Subscriber) was nominated by the Subscriber for the negotiation with Shanghai Fudan and reached a settlement of the Judgment Debt at an aggregate amount of RMB27,000,000 (equivalent to approximately HK\$31,755,000). Accordingly, the Company entered into a debt settlement agreement (執行和解協議) (the “Debt Settlement Agreement”) with Shanghai Fudan and Beijing Yi Long on 9 December 2015, pursuant to which, the amount of the Judgment Debt was agreed at RMB27,000,000 (equivalent to approximately HK\$31,755,000) which is interest-free, guaranteed and secured by a property of Beijing Yi Long (the “Yi Long Property”) and (i) as to RMB3,000,000 (equivalent to approximately HK\$3,528,000) payable at the date of signing of the Debt Settlement Agreement; and (ii) the remaining balance of RMB24,000,000 (equivalent to approximately HK\$28,277,000) is repayable by 4 quarterly installments on 31 March, 30 June, 30 September and 31 December 2016, respectively (note 12(d)).

On 30 December 2015, the Company further entered into an agreement (關於執行和解協議之四方協議) (the “Four Parties Agreement”) with the Subscriber, Beijing Yi Long and 北京創意金典投資諮詢服務有限公司 (“北京創意”), a company controlled by the Subscriber, pursuant to which, (i) the Subscriber undertakes the settlement of the Judgment Debt for the Company; (ii) Beijing Yi Long pledges the Yi Long Property to Shanghai Fudan as security against the Judgment Debt; and (iii) 北京創意 pays on behalf of the Subscriber RMB3,000,000 of the Judgement Debt. The Directors are of the opinion that upon the entering of the Four Parties Agreement, the Company’s obligation to repay the Judgment Debt has been assumed or satisfied by the Subscriber and therefore, the Company was indebted to the Subscriber in the sum of HK\$33,606,830 which was satisfied by the issuing of 136,060,042 shares of the Company at a subscription price of HK\$0.247 per share under the Subscription Agreement on 30 December 2015 (note 14(b)).

In view of the Litigation, the Directors have taken appropriate actions to negotiate with Beijing Zhongzheng for recovery of the Judgment Debt. Subsequent to the end of the reporting period on 7 March 2016, the Company entered into an agreement (關於支付承諾款項之三方協議) (the “Debt Recovery Agreement”) with Beijing Zhongzheng, pursuant to which, Beijing Zhongzheng agreed to fully pay back the Judgment Debt to the Company together with (i) an interest at 15% per annum; and (ii) a fixed fee of RMB5,000,000 (equivalent to approximately HK\$5,881,000) as compensation (collectively, the “Recoverable Debt”). The Recoverable Debt shall be settled on or before 7 March 2018 and is guaranteed by 北京桑普新源技術有限公司, an independent third party (note 11(d)). The Directors are of the opinion that the Judgment Debt will be fully recovered by Beijing Zhongzheng and no further provision of the Litigation was recognised in the consolidated statement of profit or loss during the year ended 31 December 2015.

20. RELATED PARTIES TRANSACTIONS

- (i) Save as those disclosed elsewhere in this announcement, the Group had the following material transactions with related parties during the year:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Rental expenses paid to related companies	<u>1,542</u>	<u>1,490</u>
Acquisition of the Faith Onward Group (<i>note 15</i>)	<u>68,000</u>	<u>–</u>
Granting of the Renovation Contract to a related company (<i>note (a)</i>)	<u>157,009</u>	<u>–</u>

Note:

- (a) As detailed in note 11(b) to the announcement, the Group entered into a properties renovation, improvement and upgrading contract (裝修及設備改造項目工程施工合同) (the “Renovation Contract”) with 北京吉彩裝飾工程有限公司 (“北京吉彩”, a related company of the Company, of which Mr. Han Junran (“Mr. Han”), a director and substantial shareholder of the Company and his closely family members are the ultimate shareholders, for the renovation, improvement and upgrading of the Guangzhou Properties with a total contract sum of RMB133,500,000 (equivalent to approximately HK\$157,009,000). As at 31 December 2015, an aggregated amount of RMB58,200,000 (equivalent to approximately HK\$68,449,000) has been prepaid to 北京吉彩 in respect of the Renovation Contract. 北京吉彩’s duties and responsibilities as well as the prepayment is guaranteed by 北京貝盟國際建築裝飾工程有限公司, an independent third party, which is further guaranteed by Mr. Han to the Company.

The Directors are of the opinion that the related party transactions were conducted on terms negotiated between the Group and the related parties on normal commercial terms.

- (ii) Compensation of key management personnel of the Group:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Short term employee benefits	5,456	6,621
Post-employment benefits	–	–
Equity-settled share option expenses	–	–
Total compensation paid to key management personnel	<u>5,456</u>	<u>6,621</u>

BUSINESS AND OPERATION REVIEW

BUSINESS REVIEW

The Group recorded a turnover of approximately HK\$39,064,000 and recorded a profit after tax of approximately HK\$3,175,000 for the year.

Major business arrangements

Continuing Connected Transactions

The old tenancy agreements of the Group's office premises in Hong Kong and the staff quarter and car parking space, which ended on 24 May 2014, were extended on the same terms of the respective agreement for the period from 25 May 2014 to 31 May 2015. On 30 May 2014, new tenancy agreements (the "New Tenancy Agreements") were respectively entered into (i) between New Rank Services Limited (a wholly-owned subsidiary of the Company) as tenant and Winrich Investments Limited as landlord; (ii) between New Rank Services Limited as tenant and Goldrich Investments Limited as landlord for leasing of the office premises; and (iii) between New Rank Services Limited as tenant and Jiacheng Jiaxin International Property Management (Hong Kong) Limited as landlord for leasing of the staff quarter and car parking space. The New Tenancy Agreements are for a term of two years commencing from 1 June 2014. All of Winrich Investments Limited, Goldrich Investments Limited and Jiacheng Jiaxin International Property Management (Hong Kong) Limited are companies indirectly wholly-owned by an associate of a connected person of the Company, and therefore the transactions contemplated under the New Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of which, please refer to the Company's announcement dated 30 May 2014.

OUTLOOK

The Group's wholly-owned subsidiary Guangdong Changliu which is currently the Group's main operating unit. Currently, global economy shows a sign of overall weakness. The Group has suffered from reduction in the rental and related management service income from Changliu. The Group is of the view that such situation brings both pros and cons. With appropriate measures, the Company can benefit from such situation. The Group decided to initiate a massive renovation on the original projects for an improvement in rental value. The Company will divert its management resources to achieve better results.

In the meantime, the Group will gather certain acquisitions, including but not limited to real estate development, for providing the Company opportunities to increase its future revenue source while reducing its dependence on the rental income solely generated from its investment properties in Guangzhou Changliu. In this regard, on 30 October 2015, the Group entered into an agreement with the vendor, Faith Grand (Hong Kong) Investments Limited for acquiring indirectly 90% effective equity interest of Luoyang Wan Heng Property Company Limited. The principal asset of Luoyang Wan Heng is a land situated in Luoyang, the PRC. It would also be in line with the principle business of the Group. The acquisition was completed on 31 December 2015.

SCOPE OF WORK OF AUDITORS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditors, Ascenda Cachet CPA Limited ("Ascenda Cachet"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2015. The work performed by Ascenda Cachet in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ascenda Cachet on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Result

For the year under review, the Group reported a turnover which represented the rental income and management fee income of approximately HK\$39,064,000 (2014: HK\$43,808,000). The Group's net profit for the year was approximately HK\$3,715,000 (2014: HK\$32,964,000). The basic earnings per share for the year was approximately 0.13 HK cents (2014: 1.30 HK cents). Administrative expenses was approximately HK\$25,194,000 (2014: HK\$21,900,000). Finance cost was approximately HK\$15,998,000 (2014: HK\$12,854,000).

Liquidity, Financial Resources and Funding Requirements

As at 31 December 2015, the Group had obligations under hire purchase contracts of approximately HK\$266,000 (2014: HK\$420,000).

As at 31 December 2015, the Group's total assets was approximately HK\$1,114,443,000 (2014: HK\$774,665,000) and total liabilities were of approximately HK\$485,011,000 (2014: HK\$332,218,000). As at 31 December 2015, the cash and bank balances was approximately HK\$164,277,000 (2014: HK\$25,199,000) and the current ratio (current assets/current liabilities) was 2.25 as at 31 December 2015 (2014: 0.99).

Pledge of Assets

As at 31 December 2015, certain of the Group's investment properties in Guangzhou (note 10) were pledged to secure bank borrowing, details of which are set out in note 13 to this announcement. And the finance lease payable was secured by the leased motor vehicle with a carrying amount of HK\$275,442.

Litigation

Details of the litigation are set out in note 19 to this announcement.

Gearing Ratio

The gearing ratio (net debt/capital and net debt) was 20% as at 31 December 2015 (2014: 24%).

Capital Structure

Details of the movement of the share capital are set out in note 14 to this announcement.

Exchange Risks

The majority of the Group's operations are located in the PRC and the main operational currencies are Hong Kong Dollars and Renminbi. The Company is paying regular and active attention to Renminbi exchange rate fluctuation and consistently assessing exchange risks.

Use of proceeds

On 8 September 2015, the Company issued and allotted 636,196,999 shares by way of open offer at the price of HK\$0.28 per offer share. The net proceeds received are approximately HK\$174 million, in which, (i) as to HK\$68 million has been paid as a consideration for acquiring a property development-related project in Luoyang City, the PRC; (ii) as to approximately HK\$37 million has been paid for a listed equity investment in Taiwan; and (iii) the remaining net proceeds of approximately HK\$69 million was applied as general working capital of the Group and acquisition of possible investments.

Dividends

The directors did not recommend the payment of any dividend for the year ended 31 December 2015 (2014: Nil).

Prospect

The Company continues its focus on city development and identifies business opportunities along with its long established development strategy. Going forward, urbanization is believed to be the prominent direction of economic growth in China and will offer tremendous business opportunities for the Group. Accordingly, the Group shall actively explore profitable projects including real estate developments and integrated services and management for environmental cities.

In November 2013, the Group entered into an agreement to acquire a parcel of land for scientific research use in Qingdao City Centre, the PRC. The Group undertook active steps for construction planning approval. Communication with relevant government is progress, so that amendments and adjustments will be made according to the overall planning opinion from the government.

The Group will continue to build strategic business alliance with various professional enterprises, so that all parties can contribute their proficiencies and efforts for conducting business in the arena of city development. In this way, the Company's financial performance can be strengthened and optimal benefits will be brought to its shareholders.

Employees

As at 31 December 2015, the Group has employed about 55 (2014: 50) employees in Hong Kong and PRC. The Group adopts a competitive remuneration package for its employees. Remuneration packages are reviewed annually with reference to the then prevailing market employment practices and legislation.

Significant Investments and Material Acquisitions

Except for detailed in note 15 to this announcement, the Group did not have any significant investments or material acquisitions for the year ended 31 December 2015.

Contingent Liabilities and Litigation

Details of the contingent liabilities and the litigation are set out in notes 18 and 19 to this announcement.

Commitments

Details of the commitments are set out in notes 16 and 17 to this announcement.

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

The Company had not redeemed any of its shares during the year ended 31 December 2015. Neither the Company nor its subsidiaries had purchased or sold any of the Company's shares during the year ended 31 December 2015.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions ("Code Provisions") as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules of the Stock Exchange, save for the deviations listed below:

The Chairman of the Company is also the chief executive officer of the Company, which deviates from Code Provision A.2.1 which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As the current nature of the Group's business is not complicated, the Board considers that the current structure is sufficient for monitoring and controlling the operation of the Group. The Company will review the structure from time to time and will make necessary arrangements to observe the provisions of the Listing Rules whenever necessary.

According to the Articles of Association of the Company, the non-executive directors of the Company are not appointed for specific terms. Thus, they are deviated from Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term, subject to re-election and Code Provision A.4.2 which stipulates that all directors appointed to fill a casual vacancy shall hold office only until the next following general meeting and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, in view of the fact that non-executive directors are subject to retirement by rotation as stipulated in the Company's Articles of Association, the Company considers that there are sufficient measures in place to ensure that the corporate governance of the Company are no less exacting than the Code Provisions. In respect of Code Provision A.6.7 of the CG Code, one Independent Non-executive Director did not attend the annual general meeting of the Company held on 22 June 2015. The Company will review its Articles of Association from time to time and will make necessary amendments to ensure observance of the provisions of the Listing Rules whenever necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry of the Directors, the Directors have complied with the Model Code throughout the year ended 31 December 2015.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the websites of Hong Kong Exchanges and Clearing Ltd (www.hkex.com.hk) and the Company (www.newcitygroup.com.hk). The 2015 Annual Report will be despatched to the Company’s shareholders on or before 30 April 2016 and will be available at the websites of the Stock Exchange and the Company.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the “Annual General Meeting”) will be held on 3 June 2016. A circular containing the notice of the Annual General Meeting will be published on the Company’s website and the Stock Exchange’s website and sent to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 30 May 2016 to 3 June 2016 (both dates inclusive). In order to determine the identity of the shareholders who are entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 pm on 27 May 2016.

AUDIT COMMITTEE

The Audit Committee comprises three members who are independent non-executive directors namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai and Mr. Zheng Qing. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal controls and the consolidated financial statements for the year ended 31 December 2015.

REMUNERATION COMMITTEE

Pursuant to the provisions of the Code as set out in Appendix 14 of the Listing Rules, the Board has established the Remuneration Committee. The Remuneration Committee comprises two independent non-executive Director, Mr. Chan Yiu Tung, Anthony as chairman and Mr. Seto Man Fai and the chairman of the Board, Mr. Han Junran who is an executive Director. The Remuneration Committee normally meets for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the members of the Board and the senior management and other related matters.

NOMINATION COMMITTEE

The Company has established a nomination committee and was chaired by the chairman of the Board, Mr. Han Junran, an executive Director. Other members of the Nomination Committee include three independent non-executive Directors, Mr. Seto Man Fai, Mr. Chan Yiu Tung, Anthony and Mr. Zheng Qing. The Nomination Committee is responsible for nominating potential candidates for directorship appointment and succession planning of the Board, reviewing the composition and structure of the Board regularly and making appropriate recommendation to the Board in order to ensure the balance of expertise, skills and experience among the members of the Board.

BOARD OF DIRECTORS

As at the date of this announcement, the Company has (i) three executive directors, namely Mr. Han Junran (Chairman), Mr. Fu Yiu Kwong and Mr. Luo Min; and (ii) four independent non-executive directors, namely Mr. Chan Yiu Tung, Anthony, Mr. Seto Man Fai, Dr. Ouyang Qingru and Mr. Zheng Qing.

By Order of the Board
New City Development Group Limited
Han Junran
Chairman

Hong Kong , 22 March 2016