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萬科置業(海外)有限公司  
Vanke Property (Overseas) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01036)

**Results Announcement for  
the Year Ended 31 December 2014**

**RESULTS**

The board (the “Board”) of directors (the “Directors”) of Vanke Property (Overseas) Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries for the year ended 31 December 2014 as follows:

**Consolidated Statement of Comprehensive Income**

*For the year ended 31 December 2014*

	Note	2014 HK\$'000	2013 HK\$'000
<b>Turnover</b>	3	<b>85,809</b>	82,550
Cost of services		<b>(19,784)</b>	(19,647)
<b>Gross profit</b>		<b>66,025</b>	62,903
Other income	4	488	122
Administrative, leasing and marketing expenses		<b>(11,339)</b>	(15,023)
Increase in fair value of investment properties	9	<b>109,510</b>	125,110
<b>Operating profit</b>		<b>164,684</b>	173,112
Finance income	5(a)	1	391
Finance costs	5(a)	<b>(17,895)</b>	(14,052)
		<b>146,790</b>	159,451
Share of loss of an associate		<b>(9)</b>	(9)
<b>Profit before taxation</b>	5	<b>146,781</b>	159,442
Taxation charge	6	<b>(9,226)</b>	(7,936)
<b>Profit and total comprehensive income for the year and attributable to shareholders of the Company</b>		<b>137,555</b>	151,506
		<b>HK\$</b>	<b>HK\$</b>
<b>Earnings per share — basic and diluted</b>	8	<b>0.53</b>	0.58

Details of dividends paid and payable to shareholders of the Company attributable to the profit for the year are set out in note 7.

## Consolidated Balance Sheet

At 31 December 2014

	Note	2014 HK\$'000	2013 HK\$'000
<b>Non-current assets</b>			
Plant and equipment		11	14
Investment properties	9	1,494,210	1,384,700
Interest in an associate	10	408,351	387,120
Deferred tax assets		1,613	2,068
		<u>1,904,185</u>	<u>1,773,902</u>
<b>Current assets</b>			
Trade and other receivables	11	3,709	3,720
Tax recoverable		17	1,004
Amount due from an associate	10	21,000	343,452
Bank balances and cash		11,986	20,708
		<u>36,712</u>	<u>368,884</u>
<b>Current liabilities</b>			
Other payables and accruals	12	(25,206)	(24,735)
Amount due to an intermediate holding company		(1,378)	(151,658)
Bank loans due within one year, secured		(330,000)	(5,500)
Tax payable		(2,297)	(467)
		<u>(358,881)</u>	<u>(182,360)</u>
<b>Net current (liabilities)/assets</b>		<u>(322,169)</u>	<u>186,524</u>
<b>Total assets less current liabilities</b>		<u>1,582,016</u>	<u>1,960,426</u>
<b>Non-current liabilities</b>			
Bank loans due after one year, secured		–	(510,000)
Deferred tax liabilities		(29,593)	(27,767)
		<u>(29,593)</u>	<u>(537,767)</u>
<b>NET ASSETS</b>		<u>1,552,423</u>	<u>1,422,659</u>
<b>Capital and reserve</b>			
Share capital		2,596	2,596
Retained profits		1,549,827	1,420,063
<b>TOTAL EQUITY</b>		<u>1,552,423</u>	<u>1,422,659</u>

## Notes

### 1. GENERAL INFORMATION

Vanke Property (Overseas) Limited (the “Company” and together with its subsidiaries, the “Group”) is a limited liability company incorporated under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The registered office of the Company is P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands and the address of its principal office in Hong Kong is 55/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong. The principal activities of the Group are property investment and management and property development.

The Board considers that the Company’s ultimate holding company is China Vanke Co., Ltd. (“China Vanke”), a joint stock company with limited liability incorporated in the People’s Republic of China and the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively.

### 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual 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. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). They have been prepared under the historical cost basis except that investment properties are stated at their fair value.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. None of these developments are relevant to the Group’s financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. TURNOVER AND SEGMENT INFORMATION

Turnover recognised during the year are as follows:

	<b>2014</b>	2013
	<b><i>HK\$’000</i></b>	<i>HK\$’000</i>
Rental and property management	<b><u>85,809</u></b>	<u>82,550</u>

The Group’s chief operating decision maker assesses the performance of the operating segment primarily based on segment profit. Segment profit represents the profit earned by the segment and excludes head office and corporate expenses (net of unallocated income), depreciation, finance income, finance costs and taxation charge.

## Notes (Continued)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following two segments:

Rental and property management:	The leasing of the Group's investment properties to earn rental and management fee income and to gain from the appreciation in properties' values in the long term
Property development:	Share of the results of an associate, which principal activity is property development

#### Operating segments

The segment results are as follows:

	<b>Rental and property management</b> <i>HK\$'000</i>	<b>Property development</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<i>For the year ended 31 December 2014</i>			
Turnover	<u>85,809</u>	<u>–</u>	<u>85,809</u>
Segment results before change in fair value of investment properties	65,126	(9)	65,117
Increase in fair value of investment properties	<u>109,510</u>	<u>–</u>	<u>109,510</u>
Segment results	174,636	(9)	174,627
Head office and corporate expenses (net of unallocated income)			(9,949)
Depreciation			(3)
Finance income			1
Finance costs			<u>(17,895)</u>
Profit before taxation			146,781
Taxation charge			<u>(9,226)</u>
Profit for the year			<u>137,555</u>

## Notes (Continued)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

#### Operating segments (Continued)

The segment results are as follows: (Continued)

	Rental and property management <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>For the year ended 31 December 2013</i>			
Turnover	82,550	–	82,550
Segment results before change in fair value of investment properties	61,314	(9)	61,305
Increase in fair value of investment properties	125,110	–	125,110
Segment results	186,424	(9)	186,415
Head office and corporate expenses (net of unallocated income)			(13,312)
Depreciation			–
Finance income			391
Finance costs			(14,052)
Profit before taxation			159,442
Taxation charge			(7,936)
Profit for the year			151,506

#### Geographical information

No geographical information is shown as the turnover and operating profit of the Group's operations are all derived from activities in Hong Kong.

### 4. OTHER INCOME

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Forfeited deposits	407	–
Others	81	122
	<b>488</b>	122

## Notes (Continued)

### 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>(a) Finance income and costs</b>		
<i>Finance income</i>		
— Interest income on bank deposits and bank balances	<u>(1)</u>	<u>(391)</u>
<i>Finance costs</i>		
— Interest expenses on bank loans wholly repayable within five years	11,703	8,379
— Interest expenses on amount due to an intermediate holding company wholly repayable within five years	2,599	1,732
— Other borrowing costs	<u>3,593</u>	<u>3,941</u>
	<u>17,895</u>	<u>14,052</u>
<b>(b) Staff costs (including directors' emoluments)</b>		
Contributions to defined contribution plan	62	15
Salaries, wages and other benefits	<u>5,582</u>	<u>2,078</u>
	<u>5,644</u>	<u>2,093</u>
<b>(c) Others</b>		
Auditors' remuneration		
— Audit services	580	525
— Non-audit services	478	560
Depreciation	3	—
Rental receivables from investment properties less direct outgoings of HK\$19,784,000 (2013: HK\$19,647,000)	<u>(66,025)</u>	<u>(62,903)</u>

## Notes (Continued)

### 6. TAXATION CHARGE

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<i>Current tax</i>		
Hong Kong Profits Tax	6,977	6,233
Over provision in prior years	(32)	(50)
	<u>6,945</u>	<u>6,183</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	<u>2,281</u>	<u>1,753</u>
	<u>9,226</u>	<u>7,936</u>

Provision for Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the year.

There is no tax component (2013: nil) in the results of an associate for the year ended 31 December 2014.

### 7. DIVIDENDS

#### (a) Dividends attributable to the year

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Final dividend proposed after balance sheet date of HK\$0.03 (2013: HK\$0.03) per share	<u>7,791</u>	<u>7,791</u>

At a meeting held on 10 March 2015, the Directors recommended a final dividend of HK\$0.03 per share. This proposed dividend is not reflected as a dividend payable in the Group's financial statements until it has been approved by the shareholders of the Company and will be reflected as an appropriation of reserves in the year ending 31 December 2015.

#### (b) Dividends attributable to the previous financial year, approved and paid during the year

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.03 (2013: HK\$0.03) per share	<u>7,791</u>	<u>7,791</u>

## Notes (Continued)

### 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$137,555,000 (2013: HK\$151,506,000) and 259,685,288 shares (2013: 259,685,288 shares) in issue during the year.

Diluted earnings per share equals to the basic earnings per share as the Company had no dilutive potential shares in issue during the year (2013: nil).

### 9. INVESTMENT PROPERTIES

The investment properties of the Group were revalued at 31 December 2014 by an independent firm of surveyors, Vigers Appraisal & Consulting Limited, which has, among its staff fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of the property being valued. The fair value of investment properties is determined by direct capitalisation of existing net rental income allowing for reversionary market sale potential of the property. During the year, the increase in fair value of investment properties was HK\$109,510,000 (2013: HK\$125,110,000).

### 10. INTEREST IN AN ASSOCIATE AND AMOUNT DUE FROM AN ASSOCIATE

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Share of net assets	3,321	3,330
Amount due from an associate (non-current) ( <i>Note (i)</i> )	<u>405,030</u>	<u>383,790</u>
	<u>408,351</u>	<u>387,120</u>
Amount due from an associate (current) ( <i>Note (ii)</i> )	<u>21,000</u>	<u>343,452</u>

#### Notes:

- (i) The balance is unsecured, interest-bearing at Hong Kong Interbank Offer Rate (“HIBOR”) plus 2.2% per annum (2013: HIBOR plus 2.2% per annum) and has no fixed terms of repayment, and is expected to be recovered after one year.
- (ii) The balance is unsecured, interest-bearing at HIBOR plus 2.2% per annum (2013: HIBOR plus 2.2% per annum) and is expected to be recovered within one year.



## Notes (Continued)

### 11. TRADE AND OTHER RECEIVABLES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade receivables	577	715
Amortised rent receivables	105	289
Other receivables	6	6
Deposits	2,408	2,397
Prepayments	613	313
	<u>3,709</u>	<u>3,720</u>

Trade receivables represent mainly rent receivables from tenants of the Group's properties. The Group maintains a defined policy in respect of rent collection. Reminders are issued bi-weekly when trade receivables have been overdue for 15 days, and legal actions will be taken when trade receivables are overdue for two months. The ageing analysis of trade receivables (net of allowance for doubtful debts), based on the date of revenue recognition, is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0 to 30 days	547	549
31 to 90 days	30	166
	<u>577</u>	<u>715</u>

### 12. OTHER PAYABLES AND ACCRUALS

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Other payables	1,705	2,232
Deposits received	20,987	20,371
Accruals	2,514	2,132
	<u>25,206</u>	<u>24,735</u>

Except for the rental deposits received on properties of HK\$4,371,000 (2013: HK\$9,031,000) which are expected to be settled after one year, all of the other payables and accruals are expected to be settled within one year or are repayable on demand.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group's turnover is derived from the leasing of units and car parking spaces in Regent Centre. Turnover for the year was HK\$85.8 million (2013: HK\$82.6 million), representing an increase of 4%. The increase was mainly due to increase in passing rent for the units in Regent Centre.

The Group's investment in Regent Centre was fair valued at HK\$1,494.2 million as at 31 December 2014 (31 December 2013: HK\$1,384.7 million), resulting in a fair value gain of HK\$109.5 million for the year (2013: HK\$125.1 million). Excluding the change in fair value of Regent Centre, the Group's underlying profit for the year was HK\$28.0 million (2013: HK\$26.4 million), representing an increase of 6%. The increase was mainly due to increase in gross profit from operations and savings in administrative, leasing and marketing expenses, which have been partly offset by the increase in finance costs.

### **Rental and property management**

The Group's investment properties comprise various portions of Regent Centre (the "Property"), which is located at 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong. The Group owns a total gross floor area of approximately 657,000 square feet, representing 64% of the total gross floor area in Regent Centre.

During the year, the Group renewed a majority of the leases at a positive rental reversion. Occupancy of the Property was maintained at a high level of 95% as at 31 December 2014 (31 December 2013: 97%) against an increase in passing rent to HK\$8.7 per square foot as at 31 December 2014 (31 December 2013: HK\$8.3 per square foot). Apart from the monthly rent, the tenants are responsible for payment of property management fee to the landlord, which income has been accounted for as part of the turnover of the Group.

Segment profit after deducting property management fees, carpark management expenses, leasing commission and other operating expenses but before change in fair value of the Property amounted to HK\$65.1 million for the year (2013: HK\$61.3 million).

### **Property development**

The acquisition of a 20% interest in Ultimate Vantage Limited ("Ultimate Vantage"), the company being granted with the development right of the West Rail Tsuen Wan West Station TW6 Property Development Project (the "TW6 Project"), was completed in August 2013 at a final consideration of HK\$727.9 million, of which HK\$150 million had been deferred at an interest rate of 1-month HIBOR plus 2.8% per annum until the date of actual payment (the "Deferred Consideration").

On 22 April 2014, the Company, New World Development Company Limited (the “JV Partner” which, through its wholly-owned subsidiary, holds 80% shareholding interest in Ultimate Vantage) together with other relevant parties entered into a shareholders’ agreement to regulate the relationship of the shareholders of Ultimate Vantage inter se and the management of affairs of Ultimate Vantage. Pursuant to the agreement, the Company and the JV Partner agreed that a non-defaulting party would have the right to acquire all the interest in Ultimate Vantage represented by the defaulting party and its affiliates upon the occurrence of certain events of default. In the event that the Company or any of its affiliates defaults, the discretion to acquire the interest in Ultimate Vantage belongs solely to the JV Partner. Accordingly, the grant of such default call right to the JV Partner constituted a major transaction for the Company under the Listing Rules and was approved by Wkland Investments Company Limited (“Wkland Investments”), the immediate holding company of the Company, by way of written shareholders’ approval in lieu of holding a general meeting pursuant to the Listing Rules. Further details of this transaction are set out in the Company’s announcement dated 22 April 2014 and the Company’s circular dated 15 May 2014.

On 30 June 2014, Ultimate Vantage obtained committed term loan facilities of up to HK\$4,800 million from a syndicate of financial institutions (the “TW6 Loan Facilities”) for the purpose of (a) refinancing up to approximately 50% of the premium paid by Ultimate Vantage in respect of the TW6 Project, (b) partially financing or refinancing the construction costs relating to the residential portion of the TW6 Project and (c) partially financing or refinancing the construction costs relating to the government accommodation portion of the TW6 Project. In relation to the TW6 Loan Facilities, the Company and the JV Partner were required to provide corporate guarantees, on a several basis and in proportion to their respective shareholding interest in Ultimate Vantage, in respect of Ultimate Vantage’s obligations under the TW6 Loan Facilities. The Company has accordingly been guaranteeing, among others, repayment of the principal amount of the TW6 Loan Facilities up to HK\$960 million (the “Corporate Guarantee”). The provision of the Corporate Guarantee constituted a major transaction for the Company under the Listing Rules and was approved by Wkland Investments by way of written shareholders’ approval in lieu of holding a general meeting pursuant to the Listing Rules. Further details of this transaction are set out in the Company’s announcement dated 30 June 2014 and the Company’s circular dated 22 July 2014.

The Group’s total investment in the TW6 Project amounted to HK\$429.4 million as at 31 December 2014 (31 December 2013: HK\$730.6 million). The decrease was mainly due to a partial repayment of shareholder’s loans by Ultimate Vantage in July 2014 from the loan proceeds generated from drawdown of the land tranche of the TW6 Loan Facilities. Out of the total repayment of HK\$343.5 million, the Group had applied HK\$150 million for payment of the Deferred Consideration and HK\$190 million for repayment of bank loan, with the balance of HK\$3.5 million being retained as bank balances and cash for general working capital of the Group.

The TW6 Project involves, among other things, construction of residential buildings with a total gross floor area of no more than 675,021 square feet, of which no less than 520 residential units shall each be size of not exceeding 538 square feet in saleable area, and a government accommodation portion as constituted by a sports centre with a gross floor area of approximately 129,000 square feet and various parking spaces. As at the date hereof, the construction of the TW6 Project will soon proceed to the superstructure stage. It is expected that the entire project can be completed with the issuance of certificate of compliance in 2018.

Segment loss, as a result of the Group's share of loss in Ultimate Vantage, was negligible in both years.

### **Head Office and corporate expenses**

Head Office and corporate expenses, net of unallocated income, were HK\$9.9 million in the year (2013: HK\$13.3 million). The decrease was mainly due to professional fees of HK\$2.0 million incurred in acquiring the 20% interest in the TW6 Project in the prior year, which was non-recurring in nature.

### **Finance costs, net**

Finance costs, net of finance income, were HK\$17.9 million in the year (2013: HK\$13.7 million). The increase was mainly due to finance costs incurred in acquiring the 20% interest in TW6 Project, which was completed in August 2013.

## **FINANCIAL REVIEW**

### **Gearing**

The Group's gearing, calculated as a percentage of total liabilities of HK\$388.5 million (31 December 2013: HK\$720.1 million) to total assets of HK\$1,940.9 million (31 December 2013: HK\$2,142.8 million) was 20% as at 31 December 2014 (31 December 2013: 34%).

The decrease in total liabilities was mainly due to payment of the Deferred Consideration and repayment of bank loan, which were financed by partial repayment of shareholder's loans from Ultimate Vantage. The decrease in total assets was mainly due to application of the proceeds from shareholder's loan repayment as aforesaid for the purpose of reducing the liabilities of the Group, partly offset by the increase in fair value of the Property during the year.

## **Liquidity and debt maturity profile**

The Group's bank balances and cash amounted to HK\$12.0 million as at 31 December 2014 (31 December 2013: HK\$20.7 million). Together with undrawn banking facilities of HK\$250 million, the Group's available cash resources amounted to HK\$262.0 million as at 31 December 2014 (31 December 2013: HK\$90.7 million).

The Group's interest-bearing debts amounted to HK\$333 million as at 31 December 2014 (31 December 2013: HK\$671.5 million). The decrease in the interest-bearing debts was mainly due to payment of the Deferred Consideration and repayment of revolving portion of the Group's banking facilities during the year.

The interest-bearing debts are represented by (i) a term loan facility of HK\$283 million, and (ii) a revolving loan facility of HK\$300 million, of which HK\$50 million had been drawn as at year end (collectively, the "Loan Facilities"). The Loan Facilities are secured by a mortgage over the Property and are due for renewal in December 2015. Pending refinancing of the Loan Facilities at an opportune time, the interest-bearing debts were classified as current liabilities in the financial statements according to the loan maturity date, which resulted in a net current liability position of the Group as at 31 December 2014.

## **Treasury policies**

The Group operates in Hong Kong and all its assets and liabilities are denominated in Hong Kong dollar. As a result, it has no exposure to foreign exchange rate fluctuation.

The Group's interest-bearing debts carry interest at floating rate. The Group reviews its interest rate exposure on a regular basis and, if appropriate, will consider entering into interest rate swap contracts to hedge the exposure to the extent required.

## **Capital commitments**

The Group had no significant capital commitments as at 31 December 2014 (31 December 2013: nil).

## **Contingent liabilities and financial guarantees**

The Group had a contingent liability of HK\$960 million as at 31 December 2014 (31 December 2013: nil) in respect of the Corporate Guarantee.

## **Pledge of assets**

The Group's investment properties with a carrying value of HK\$1,494.2 million at 31 December 2014 (31 December 2013: HK\$1,384.7 million) were pledged to secure banking facilities of the Group.

## **Significant investments held, material acquisitions and disposal of subsidiaries and associates**

There were no other significant investments held, material acquisitions or disposal of subsidiaries and associates during the year.

## **EMPLOYEES**

The Group had four employees as at 31 December 2014 (31 December 2013: two), comprising the Chief Financial Officer and Company Secretary of the Company and his assistants in the finance and company secretarial department.

Vanke Property (Hong Kong) Company Limited (“Vanke HK”), an intermediate holding company of the Company, provides administrative and management services to the Group on a cost basis pursuant to the terms of a management agreement dated 19 July 2013 entered into between Vanke HK and the Company. Management and administrative fee payable to Vanke HK was reduced to HK\$1.7 million (2013: HK\$4.4 million) with a corresponding increase in staff costs (including directors’ emoluments) to HK\$5.6 million (2013: HK\$2.1 million) in the year, as a result of an internal transfer of two staff in the finance department from Vanke HK to the Group at the beginning of the year.

The Executive Directors periodically review the adequacy of the staffing of the Group by reference to the Group’s business requirements. Should there be employees recruited under the Group, their remuneration and benefit packages will be structured on market terms with regard to individual responsibility and performance. All eligible employees in Hong Kong are enrolled to a defined contribution mandatory provident fund scheme. Other employment benefits are awarded at the discretion of the Group.

China Vanke operates a business partnership scheme for the purpose of promoting work enthusiasm and creativity among the operation and management teams and strengthening the ties between these teams and the shareholders of China Vanke, with the ultimate objective of creating a greater value for China Vanke and its stakeholders. Pursuant to the scheme, certain employees of China Vanke and its subsidiaries (including the Group) will be admitted as business partners entrusting part of their bonuses into a collective bonus account in favor of Shenzhen Ying’an Financial Advisory Limited for investment management. The vesting and return of the bonus including investment return are subject to the rules of the scheme as set out in a letter of authorization and undertaking signed by all business partners.

## **OUTLOOK**

During the year, Regent Centre remained as the only income source for the Group. The Property has been delivering satisfactory performance ever since China Vanke acquired a controlling stake in the Company in July 2012, with its capital value being appreciated more than 30% to HK\$1,494.2 million as at 31 December 2014 and annualized rental income being increased more than 12% to HK\$85.8 million in 2014.

The Hong Kong economy is predicted to maintain a moderate growth in 2015 with strong fundamentals of a low unemployment rate and a persistent low interest rate environment caused by the monetary easing policy adopted by central banks around the world. Against this backdrop, the Group is optimistic that the Property would continue its satisfactory performance in 2015 under the diligent efforts from the management team.

The development of the TW6 Project has been progressing on schedule. It will take some time for the project to turn into a profit engine to the Group, as the project is anticipated to be completed in 2018. The project being well located at the waterfront with close proximity to the Tsuen Wan West MTR Station is expected to arouse lots of market attention when it is launched for presale at an appropriate time depending on market conditions and timing of completion of the project.

Apart from investing in these two projects, the Board will keep evaluating any property acquisition opportunities available to the Group from time to time with a view of materializing such opportunities, if viable, to the benefit of the Company and its shareholders as a whole.

## **FINAL DIVIDEND**

The Directors recommend the payment of a final dividend of HK\$0.03 per share (2013: HK\$0.03 per share). Subject to the passing of the relevant resolution at the Annual General Meeting of the Company to be held on 22 May 2015 (the “2015 AGM”), the final dividend will be payable to the shareholders on or about 9 June 2015.

## **CLOSURE OF REGISTER OF MEMBERS AND THE TRANSFER BOOKS**

The Register of Members and the Transfer Books of the Company will be closed during the following periods:

### **(i) For ascertaining the shareholders’ entitlement to attend and vote at the 2015 AGM**

The Register of Members and the Transfer Books of the Company will be closed from Thursday, 21 May 2015 to Friday, 22 May 2015, both days inclusive, for the purpose of ascertaining the shareholders’ entitlement to attend and vote at the 2015 AGM. In order to be eligible to attend and vote at the 2015 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited (“Computershare”) at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 May 2015.



**(ii) For ascertaining the shareholders' entitlement to the proposed final dividend**

The Register of Members and the Transfer Books of the Company will be closed on Friday, 29 May 2015 for the purpose of ascertaining the shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with Computershare at the abovementioned address no later than 4:30 p.m. on Thursday, 28 May 2015.

**COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules during the year ended 31 December 2014, except for the following deviations:

**Code provision A.2.1**

Code provision A.2.1 stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

The Company has not appointed Chairman and Chief Executive since 1 September 2012. All duties of chairman and chief executive under code provisions A.2.2 to A.2.9 are shared between Mr. Zhang Xu and Ms. Que Dong Wu, the Executive Directors.

The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will consider appointing Chairman and Chief Executive at an appropriate stage when the Group has increased the size of operation.

**Code provision A.2.7**

Code provision A.2.7 stipulates that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

As the Company has not appointed Chairman of the Board, this code provision is not applicable to the Company.

**Code provision F.1.3**

Code provision F.1.3 stipulates that the company secretary should report to the board chairman and/or the chief executive.

During the year, the Company Secretary reported to the Executive Directors, as there was no Chairman or Chief Executive.



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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries to the Directors, all the Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2014. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the CG Code) in respect of their dealings in the securities of the Company.

## **REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE**

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the code provisions under the CG Code. The Audit Committee has reviewed the Group’s annual results for the year ended 31 December 2014, including the accounting policies and practices adopted by the Group, and also discussed with management internal control and financial reporting matters applicable to the Group.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares during the year ended 31 December 2014.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of this results announcement for the year ended 31 December 2014 have been compared by the Company’s auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year ended 31 December 2014 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and 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 the auditors on this announcement.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Company at [www.vankeoverseas.com](http://www.vankeoverseas.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Company will be despatched to shareholders and published on the aforesaid websites in due course.

## **BOARD OF DIRECTORS**

At the date of this announcement, the Directors of the Company are:

*Executive Directors:*

Mr. Zhang Xu, Ms. Que Dong Wu

*Non-Executive Directors:*

Mr. Wang Wen Jin, Mr. Chan Chi Yu

*Independent Non-Executive Directors (in alphabetical order):*

Mr. Chan Wai Hei, William, Mr. Chung Wai Sum, Patrick, Mr. Shium Soon Kong

By order of the Board  
**Vanke Property (Overseas) Limited**  
**Que Dong Wu**  
*Executive Director*

Hong Kong, 10 March 2015