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## **HONG KONG FERRY (HOLDINGS) COMPANY LIMITED**

*(Incorporated in Hong Kong under the Companies Ordinance)*

**(Stock Code: 00050)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

The Board is pleased to announce that on 12 May 2011, the Vendor, a wholly-owned subsidiary of the Company, has accepted the tender by the Purchaser to purchase the Property at the consideration of HK\$280,800,000 subject to and upon the terms of the Conditions of Sale. Taking into account the carrying value of the Property and certain furniture and fixtures remaining on the Property, a gain in an estimated sum of approximately HK\$240,000,000 before tax is expected to accrue to the Group as a result of the Disposal.

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 5% or more but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

#### **THE TENDER**

##### **1. Acceptance Date**

The Tender was accepted by the Vendor on 12 May 2011.

##### **2. Parties**

Vendor: HYFCO Properties Limited, a wholly-owned subsidiary of the Company

Purchaser: Daily Treasure Limited

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Purchaser and its beneficial owner are third parties independent of the Company and its connected persons.

##### **3. Subject of the Tender**

The subject of the Tender is all that piece or parcel of ground registered in the Land Registry as Lot No. 648 in demarcation district No.2, Mui Wo together with the hotel erected thereon. Currently, the Property is used by the Vendor for the operation of a hotel known as the Silvermine Beach Hotel.

It is a term of the Disposal that the Property will be sold with vacant possession but on an “as is” basis with regard to items of furniture and fixtures (excluding books and records, computer hardware and computer operating systems) remaining on the Property from the operations of the Silvermine Beach Hotel.

Based on the audited financial statements of the Vendor for the year ended 31 December 2010, the total book value of the Property together with the furniture and fixtures (excluding computer hardware and computer operating systems) was approximately HK\$34,725,000.

For the financial year ended 31 December 2009, the audited net loss both before and after taxation attributable to the Property amounted to approximately HK\$2,171,000. For the financial year ended 31 December 2010, the audited net loss before and after taxation attributable to the Property amounted to approximately HK\$94,000 and HK\$534,000 respectively.

#### **4. Consideration**

Under the Tender, the purchase price for the Disposal is HK\$280,800,000, which will be payable in cash. The purchase price was arrived at following a tendering process, with tenders received by the Vendor in response to an invitation for tender made by the Vendor for the Property. The tender period closed on 6 May 2011.

An initial deposit of HK\$15,000,000 was paid by the Purchaser at the time of the submission of the Tender on 6 May 2011. A further deposit of HK\$41,160,000 (which, together with the initial deposit, is equivalent to 20% of the purchase price) shall be paid by the Purchaser on or before 20 May 2011. The balance of the purchase price, in the sum of HK\$224,640,000, shall be paid upon Completion.

#### **5. Completion**

Under the terms of the Disposal, Completion is to take place on or before 8 September 2011.

### **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

Taking into account the carrying value of the Property and certain furniture and fixtures remaining on the Property, a gain in the estimated sum of approximately HK\$240,000,000 before tax is expected to accrue to the Group as a result of the Disposal.

It is intended that the net proceeds of the Disposal is to be used by the Group for pursuing investment opportunities in property and business development if and when they arise in the future, and for general working capital of the Group.

### **REASONS FOR THE DISPOSAL**

With the favourable investment and property market conditions, the Directors are of the view that it is a good opportunity for the Group to dispose of the Property to increase the working capital of the Group. The Company believes that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 5% or more but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

## **GENERAL INFORMATION**

The principal activities of the Group are property development, property investment, ferry and related businesses, travel businesses and hotel operations and securities investment.

As informed by the Purchaser, the principal business activity of the Purchaser is investment holding.

## **DEFINITIONS**

In this announcement, capitalised terms have the following meanings:

“Board”	the board of Directors
“Company”	Hong Kong Ferry (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Conditions of Sale
“Conditions of Sale”	the conditions of sale contained in the invitation for tender issued by the Vendor to invite tender for the sale and purchase of the Property
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property subject to and upon the terms of the Conditions of Sale
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	all that piece or parcel of ground registered in the Land Registry as Lot No. 648 in demarcation district No. 2, Mui Wo together with the hotel erected thereon
“Purchaser”	Daily Treasure Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the tender for the purchase of the Property submitted by the Purchaser dated 6 May 2011

“Vendor” HYFCO Properties Limited, a wholly-owned subsidiary of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board  
**Yuen Wai Kuen**  
Company Secretary

Hong Kong, 12 May 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Lam Ko Yin, Colin (Chairman) and Mr. Li Ning, the non-executive directors are Mr. Au Siu Kee, Alexander, Mr. Lau Yum Chuen, Eddie, Dr. Lee Shau Kee, Mr. Leung Hay Man and Mr. Wong Man Kong, Peter and the independent non-executive directors are Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina and Mr. Wu King Cheong.*