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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 27 July 2012, the Vendor, a wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$155,000,000 subject to and upon the terms of the Provisional Agreement.

Taking into account the carrying value of the Property, upon Completion, a gain in an estimated sum of approximately HK\$45,000,000 before tax is expected to accrue to the Group as a result of the Disposal.

As 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 PROVISIONAL AGREEMENT

1. Date

27 July 2012

2. Parties

Vendor : Star Unity Limited, a wholly-owned subsidiary of the Company

Purchaser : Everyear Investment Development Limited

Agent : Citiland Surveyors 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 and are not connected persons (as defined in the Listing Rules) of the Company.

3. The Property

The Property is all that piece or parcel of ground registered in the Land Registry as the Remaining Portion of Section D of Kowloon Inland Lot No. 1697 together with the messuages erections and buildings thereon known as Nos. 52, 54 and 56 Kwun Chung Street, Kowloon, Hong Kong. At present, a building for residential/commercial use of a total gross floor area of approximately 1,320 square metres is situated on the Property. Currently, part of the Property is let to tenants and part of it is vacant.

It is agreed by the Vendor and the Purchaser that the Property will be sold on an “as is” basis and subject to and with the benefit of existing lettings and tenancies thereof (if any).

Based on the audited financial statements of the Vendor for the year ended 31 December 2011, the book value of the Property was approximately HK\$108,000,000.

For the financial year ended 31 December 2011, the audited net profits before and after taxation attributable to the Property amounted to approximately HK\$8,400,000 and HK\$8,500,000 respectively. For the period from 10 July 2009 to 31 December 2010, the audited net profits before and after taxation attributable to the Property amounted to approximately HK\$11,600,000 and HK\$11,300,000 respectively.

4. Consideration

The purchase price for the Disposal is HK\$155,000,000, which will be payable in cash. The purchase price was arrived at after arm’s length negotiations between the Vendor and the Purchaser, and the Group took into account the prevailing market condition and views indicated by property valuer.

An initial deposit of HK\$10,000,000 was paid by the Purchaser at the time of the execution of the Provisional Agreement. A further deposit of HK\$5,500,000 (which, together with the initial deposit, is equivalent to 10% of the purchase price) shall be paid by the Purchaser on or before 6 August 2012. In addition, a sum of HK\$4,500,000 shall be paid by the Purchaser on or before 6 August 2012 as part payment of the purchase price. The balance of the purchase price, in the sum of HK\$135,000,000, shall be paid upon Completion, which is scheduled to take place on or before 28 September 2012.

5. Formal Agreement

Pursuant to the Provisional Agreement, the Vendor and the Purchaser will endeavour to enter into a formal agreement for the Disposal on or before 6 August 2012.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Taking into account the carrying value of the Property, upon Completion, a gain in the estimated sum of approximately HK\$45,000,000 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 are to be used by the Group for pursuing investment opportunities in property and business development if and when they arise in future, and for general working capital purposes 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

As 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 property investment.

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 Provisional Agreement and, where applicable, the formal agreement to be entered into in respect of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property subject to and upon the terms of the Provisional Agreement and, where applicable, the formal agreement to be entered into in respect of the Disposal
“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 the Remaining Portion of Section D of Kowloon Inland Lot No. 1697 together with the messuages erections and buildings thereon known as Nos. 52, 54 and 56 Kwun Chung Street, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement entered into by the Vendor, the Purchaser and Citiland Surveyors Limited on 27 July 2012 in relation to the sale and purchase of the Property
“Purchaser”	Everyear Investment Development Limited, a company incorporated in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Star Unity Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

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

By order of the Board
Ho Chi Shing, David
Group General Manager

Hong Kong, 27 July 2012

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.