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

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

**(Stock Code: 00050)**

### **RE-DESIGNATION OF DIRECTOR**

Mr. Leung Hay Man has been re-designated as an Independent Non-executive Director of the Company with effect from 15 October 2012. Mr. Leung has also been appointed as a member of the Audit Committee of the Company and a member of the Remuneration Committee of the Company, with effect from 15 October 2012.

The board of directors (the “Board”) of Hong Kong Ferry (Holdings) Company Limited (the “Company”) would like to announce that Mr. Leung Hay Man (“Mr. Leung”), previously a Non-executive Director of the Company, has been re-designated as an Independent Non-executive Director of the Company with effect from 15 October 2012. Mr. Leung has also been appointed as a member of the Audit Committee of the Company and a member of the Remuneration Committee of the Company, with effect from 15 October 2012.

Mr. Leung Hay Man, *FRICS, FCI Arb, FHKIS*, aged 78, has been a Director of the Company since 1981, and was re-designated as a Non-executive Director of the Company in December 1991. Mr. Leung is a Chartered Surveyor. He is also an independent non-executive director of each of (i) Henderson Land Development Company Limited (“HLD”), a substantial shareholder of the Company which indirectly holds approximately 31.36% of the entire issued share capital of the Company, (ii) Henderson Investment Limited (“HIL”), a subsidiary of HLD and a connected person of the Company, and (iii) The Hong Kong and China Gas Company Limited, a 39.88% owned associated company of HLD, all of which are listed companies in Hong Kong. He is also a member of the Audit Committee of each of HLD and HIL. Mr. Leung was re-designated as an independent non-executive director of each of HLD and HIL in August 2012, after having previously been a non-executive director of those two companies. Save as disclosed above, Mr. Leung has not held any other directorships in listed public companies in the last three years.

As at the date of this announcement, Mr. Leung is interested in 2,250 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance, and has no relationship with any directors, senior management, substantial or controlling shareholder of the Company.

Under a letter of appointment dated 15 October 2012 with the Company in relation to the re-designation of Mr. Leung as an Independent Non-executive Director, Mr. Leung shall serve as an Independent Non-executive Director of the Company for a term up to 31 December 2013. Other than that, Mr. Leung is not a party to any existing service contract with the Company. He is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association of the Company. Currently, the director's fee payable by the Company to Mr. Leung is HK\$100,000 per annum subject to any adjustments to be made by the shareholders of the Company at annual general meetings of the Company and other remunerations as shall from time to time be determined by the Board with reference to his duties and responsibilities. From 15 October 2012, Mr. Leung will also be entitled to a fee of HK\$150,000 per annum for acting as a member of the Audit Committee of the Company and a fee of HK\$50,000 per annum as a member of the Remuneration Committee of the Company. The above remunerations were determined by the Board with reference to his duties and responsibilities.

Mr. Leung owns a company ("Consultancy Co") which used to provide general consultancy services to the Company for certain years. The Consultancy Co has stopped providing services to the Company and no service fee has been paid by the Company to it from June 2012. Prior to the cessation of such general consultancy services, a service fee of HK\$70,843 per month was paid by the Company to the Consultancy Co. Given that the consultancy fee paid by the Company was insignificant and immaterial, the Company considers that such services rendered in the past have no bearing on Mr. Leung's independence as an Independent Non-executive Director of the Company, notwithstanding that such services rendered in the past fall within the independence guideline in Rule 3.13(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") among the factors affecting independence under those rules.

Mr. Leung had certain directorships which are or may be regarded as falling within the independence guideline in Rule 3.13(7) of the Listing Rules among the factors affecting independence under those rules:

- (i) Until November 2011, Mr. Leung had been a director of several companies (the "Marina Companies") in which HLD holds 40% interest and HLD's controlling shareholder indirectly holds the remaining 60% interest. The Marina Companies were originally set up for the development of Marina Cove more than 20 years ago. The residential units of Marina Cove were sold out more than 15 years ago, and the Marina Companies are now principally engaged in the relatively small business of managing Club Marina Cove and the related marina. Taking into account that the directorships of Mr. Leung in the Marina Companies remained only from an old project and that Mr. Leung had no active management role in, and received no emoluments or fees from, those companies, the Company considers that his previous directorships in the Marina Companies have no bearing on his independence as an Independent Non-executive Director of the Company.

- (ii) Until January 2012, Mr. Leung had been a director of a company jointly and indirectly owned as to 50% interest by HLD and as to 50% by the Company, which was set up for providing second mortgage loans to residential unit buyers in respect of an old property development known as Metro Harbour View developed more than ten years ago, and now remains a relatively small and immaterial business of second mortgage. Mr. Leung had no active management role in, and received no emoluments or fees from, such company. The Company considers that such previous directorship has no bearing on his independence as an Independent Non-executive Director of the Company.
- (iii) Until January 2012, Mr. Leung had been a director of a substantial number of subsidiaries of the Company (the “Relevant Subsidiaries”). Mr. Leung, previously as director of the Relevant Subsidiaries, did not take part in the day-to-day management of those companies nor had any management functions in the Relevant Subsidiaries and received no emoluments or fees from them. The Company considers that such previous directorships have no adverse impact on Mr. Leung’s independence as an Independent Non-executive Director of the Company.
- (iv) As mentioned above, Mr. Leung was a non-executive director of each of HLD and HIL, and has been a Director of the Company (including being a Non-executive Director of the Company until the re-designation as an Independent Non-executive Director of the Company takes effect from 15 October 2012). Having regard that these non-executive directorships of Mr. Leung involved no active management role in the Company, HLD and HIL and that Mr. Leung has been re-designated as an independent non-executive director of each of HLD and HIL with effect from 22 August 2012, the Company considers that the previous non-executive roles of Mr. Leung in the Company, HLD and HIL have no bearing on his independence as an Independent Non-executive Director of the Company.

Save as disclosed above, there are no matters concerning Mr. Leung’s re-designation as an Independent Non-executive Director of the Company that need to be brought to the attention of the shareholders of the Company, nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board wishes to express its sincere gratitude towards Mr. Leung for his invaluable contribution to the Company during the tenure of his office as Non-executive Director, and warmly welcomes him in his new role in the Company.

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

Hong Kong, 15 October 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 and Mr. Wong Man Kong, Peter, and the independent non-executive directors are Mr. Ho Hau Chong, Norman, Mr. Leung Hay Man, Ms. Wong Yu Pok, Marina and Mr. Wu King Cheong.*