

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## HONG KONG FERRY (HOLDINGS) COMPANY LIMITED

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

**(Stock Code: 50)**

### ANNOUNCEMENT

The development of the Group at 208 Tung Chau Street (“**TCS Project**”) is in progress.

It has come to the notice of the Group that on 13 May 2013, the Court of Final Appeal of Hong Kong ruled in favour of The Secretary of Justice against a developer, an independent third party to the Company and its directors, in respect of a property redevelopment project for the construction of a multi-storey composite building on certain lots of land situated in Kowloon City and considered the meaning of the word “house” under government leases of those lots.

The Company will liaise with the relevant Government authorities to ascertain whether such ruling would have impact, if any, upon the interpretation of the terms of the Government lease of the TCS Project.

This is an announcement made by the board of directors (the “**Board**”) of Hong Kong Ferry (Holdings) Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in respect of a recent ruling in relation to an independent third party by the Court of Final Appeal of Hong Kong (the “**Court of Final Appeal Case**”) which may or may not have impact upon the property development project of the Group.

As disclosed in the 2012 results announcement of the Company published on 22 March 2013, foundation works of the property development project of the Group at 208 Tung Chau Street (the “**TCS Project**”) are in progress. It is expected that the aforesaid works would be completed by second quarter of 2013. The site area of the project is approximately 6,600 square feet. It is intended that the site will be re-developed into a residential-cum-commercial building.

It has come to the notice of the Group that on 13 May 2013, the Court of Final Appeal of Hong Kong ruled in favour of The Secretary of Justice (for and on behalf of the Director of Lands) on appeal, against Fully Profit (Asia) Limited (an independent third party to the Company and its directors), in respect of a property redevelopment project for the construction of a multi-storey composite building by Fully Profit (Asia) Limited on certain lots of land situated in Kowloon City (the “**House Lots**”). Under the terms of the Government leases under which the House Lots were held, it was provided that no more than one house may be built upon each of the House Lots. The Court of Final Appeal of Hong Kong considered that the meaning of the word “house” under those leases must have reference to those characteristics of the houses which were actually standing on the House Lots at the time those leases were entered into.

The Government lease in respect of the TCS Project was granted on 31 December 1910 under the provisions of the Foreshores and Sea Bed Ordinance 1901 (the “**TCS Government Lease**”) and include terms such as the land shall not be used for any other purposes than for “*Reclamation building dwelling houses workshops factories or godowns or similar purposes*”. The Company will liaise with the relevant Government authorities to ascertain whether such ruling would have impact, if any, upon the interpretation of the terms of the TCS Government Lease.

The Group has obtained preliminary legal opinion on the user clause in the TCS Government Lease and has been advised that the case of the TCS Project is distinguishable from the Court of Final Appeal Case and that the user clause in the TCS Government Lease should be construed to permit the erection of building on the subject lot. It is further noted that a high-rise building had been erected within the same lot subject to the same user clause of the TCS Government Lease and in the vicinity in the past.

It is uncertain at this stage as to the interpretation of the TCS Government Lease or whether any premium will be required to be paid by the Group. In view of the time required for the clarification process with the relevant Government authorities, there may be a delay on the progress of the redevelopment. The Company will make further announcements and keep shareholders informed of any further developments as and when necessary.

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

Hong Kong, 16 May 2013

*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.*