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DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 271)

2014 INTERIM RESULTS ANNOUNCEMENT

RESULTS

The Board of Directors of Dan Form Holdings Company Limited (the “Company”) announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2014 with comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Unaudited	
		Six months ended 30 June	
	Note	2014	2013
		HK\$'000	HK\$'000
Revenue	3	25,442	24,059
Other income		1,310	911
Other (losses)/gains, net	4	(2,415)	143
Rent and rates		(183)	(191)
Building management fee		(2,907)	(2,807)
Staff costs, including directors' remuneration		(8,321)	(8,206)
Depreciation and amortisation		(3,237)	(3,098)
Repair and maintenance		(536)	(791)
Administrative expenses		(4,789)	(4,108)
Change in fair value of investment properties		3,138	25,727
		<hr/>	<hr/>
Operating profit	5	7,502	31,639
Share of post-tax profits of associates		71,083	106,553
		<hr/>	<hr/>
Profit before income tax		78,585	138,192
Income tax expenses	6	(2)	(4,086)
		<hr/>	<hr/>
Profit for the period		78,583	134,106
		<hr/> <hr/>	<hr/> <hr/>
		HK cents	HK cents
Earnings per share			
Basic and diluted	7	6.30	10.75
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period	78,583	134,106
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss in future periods</i>		
Change in fair value of available-for-sale financial assets	1,981	(311)
Currency translation differences	(710)	236
Other comprehensive income/(loss) for the period, net of tax	1,271	(75)
Total comprehensive income for the period	79,854	134,031

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2014

	Note	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	91,989	95,041
Investment properties		922,175	919,067
Land use rights		25,039	25,570
Associates		3,420,194	3,349,111
Available-for-sale financial assets		39,706	37,761
		4,499,103	4,426,550
Current assets			
Debtors, prepayments, deposits and other receivables	9	9,557	11,049
Amounts due from associates		158,603	177,144
Cash and bank balances		358,521	325,906
		526,681	514,099
Total assets		5,025,784	4,940,649
EQUITY			
Share capital		681,899	623,649
Reserves		4,187,977	4,166,373
Total equity		4,869,876	4,790,022
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		117,803	118,781
Current liabilities			
Creditors and accruals	10	25,672	25,166
Amounts due to associates		10,297	5,524
Income tax payable		2,136	1,156
		38,105	31,846
Total liabilities		155,908	150,627
Total equity and liabilities		5,025,784	4,940,649
Net current assets		488,576	482,253
Total assets less current liabilities		4,987,679	4,908,803

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 31 December 2012 (Audited)	<u>623,649</u>	<u>58,250</u>	<u>663</u>	<u>18,358</u>	<u>3,864,315</u>	<u>4,565,235</u>
Profit for the period	-	-	-	-	134,106	134,106
Change in fair value of available-for-sale financial assets	-	-	-	(311)	-	(311)
Currency translation differences	-	-	-	236	-	236
Other comprehensive loss for the period	-	-	-	(75)	-	(75)
Total comprehensive income for the period	-	-	-	(75)	134,106	134,031
Dividends relating to 2012 paid in June 2013	-	-	-	-	(12,473)	(12,473)
At 30 June 2013 (Unaudited)	<u><u>623,649</u></u>	<u><u>58,250</u></u>	<u><u>663</u></u>	<u><u>18,283</u></u>	<u><u>3,985,948</u></u>	<u><u>4,686,793</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Share capital HK\$'000	Share premium HK\$'000	Special capital reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 31 December 2013 (Audited)	<u>623,649</u>	<u>58,250</u>	<u>663</u>	<u>20,621</u>	<u>4,086,839</u>	<u>4,790,022</u>
Profit for the period	-	-	-	-	78,583	78,583
Change in fair value of available-for-sale financial assets	-	-	-	1,981	-	1,981
Currency translation differences	-	-	-	(710)	-	(710)
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>	<u>-</u>	<u>1,271</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>	<u>78,583</u>	<u>79,854</u>
Transition to no-par value regime on 3 March 2014	58,250	(58,250)	-	-	-	-
Transfer from special capital reserve to retained profits	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>-</u>	<u>30</u>	<u>-</u>
At 30 June 2014 (Unaudited)	<u><u>681,899</u></u>	<u><u>-</u></u>	<u><u>633</u></u>	<u><u>21,892</u></u>	<u><u>4,165,452</u></u>	<u><u>4,869,876</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 General information

The Company is a limited liability company incorporated in Hong Kong and is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong.

The principal activities of the Group are property investment, property rental and estate management.

The interim financial information has been approved by the Board of Directors on 29 August 2014.

The interim financial information has not been audited.

2 Basis of preparation

The interim financial information for the six months ended 30 June 2014 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies methods of computation, financial risk management and critical accounting estimates and judgements used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2013 except as disclosed below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no amendments to standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

The following new standards and amendments to standards have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

HKAS 16 and HKAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation ²
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations ²
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
HKFRSs (Amendments)	Improvements to HKFRSs 2012 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2013 ¹

¹ Effective for the Group for annual periods beginning on or after 1 July 2014

² Effective for the Group for annual periods beginning on or after 1 January 2016

³ Effective for the Group for annual periods beginning on or after 1 January 2017

⁴ Effective date yet to be determined

The Group is in the process of assessing the impact of these standards and amendments to existing standards and, on a preliminary basis, does not expect there will be material impact on the Group’s reported results of operations and financial position.

3 Revenue and segment information

Revenue, which is also the Group's turnover, is shown as follows:

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Rental from investment properties	18,425	17,259
Estate management fees	5,817	5,600
Dividend income from unlisted investments	1,200	1,200
	<u>25,442</u>	<u>24,059</u>

The chief operating decision-maker has been identified as the Board of Directors of the Company collectively. The Board of Directors reviews the Group's internal reporting in order to assess performance of the Group's property and estate management business. The Board of Directors assesses the performance of the single operating segment based on a measure of profit after tax.

Revenues of the Group are mainly sourced from Hong Kong. Non-current assets of the Group are mainly located at Hong Kong, except for certain non-current assets, amounting to HK\$32,471,000 as at 30 June 2014 (as at 31 December 2013: HK\$33,266,000), located in Mainland China.

No segment analysis of the Group's revenue and contribution to operating profit is presented as the Group's financial information already provide the management information on the assessment of the performance of the Group.

4 Other (losses)/gains, net

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Net exchange (losses)/gains	(2,315)	226
Loss on disposal of an investment property	-	(83)
Loss on disposal of property, plant and equipment	(111)	-
Others	11	-
	<u>(2,415)</u>	<u>143</u>

5 Operating profit

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Operating profit is arrived at after charging:		
Outgoings of investment properties	<u>3,389</u>	<u>3,762</u>

6 Income tax expenses

	Unaudited	
	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
Current income tax		
Hong Kong	980	720
Deferred income tax	(978)	3,366
	<u>2</u>	<u>4,086</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the period. Taxation on profits generated in Mainland China has been provided at the rate of taxation prevailing in Mainland China.

7 Earnings per share (Unaudited)

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of HK\$78,583,000 (2013: HK\$134,106,000) and 1,247,298,945 (2013: 1,247,298,945) shares in issue during the period. The diluted earnings per share equals the basic earnings per share since there are no dilutive potential shares in issue during both periods.

8 Property, plant and equipment

	2014	2013
	HK\$'000	HK\$'000
Net book value at 1 January (Audited)	95,041	92,164
Additions	114	3,865
Disposals	(111)	-
Transfer from deposit for acquisition of a property	-	39,531
Exchange realignment	(53)	20
Depreciation	(3,002)	(2,925)
Net book value at 30 June (Unaudited)	<u>91,989</u>	<u>132,655</u>

9 Debtors, prepayments, deposits and other receivables

	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK'000
Trade debtors	2,217	2,590
Other debtors	5,980	5,420
Prepayments and deposits	1,360	3,039
	<u>9,557</u>	<u>11,049</u>

Trade debtors represent rental income and estate management fees due from tenants which become due upon presentation of invoices. The ageing of these trade debtors of the Group, net of provisions and in accordance with the dates of the invoices, is as follows:

	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK'000
Within 30 days	2,123	2,493
31 to 60 days	53	55
61 to 90 days	-	1
Over 90 days	41	41
	<u>2,217</u>	<u>2,590</u>

10 Creditors and accruals

	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
Trade creditors	79	326
Other creditors	18,437	18,066
Accrued operating expenses	7,156	6,774
	<u>25,672</u>	<u>25,166</u>

The ageing of the trade creditors of the Group is as follows:

	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
Within 30 days	<u>79</u>	<u>326</u>

11 Commitments

Operating lease rental receivable

The future minimum lease rental receipts under non-cancellable operating leases in respect of investment properties are receivable in the following periods:

	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
Within one year	29,766	28,414
Between one to five years	37,270	46,214
	<u>67,036</u>	<u>74,628</u>

12 Related party transactions

	Unaudited Six months ended 30 June 2014 HK\$'000	2013 HK\$'000
Estate management fee income from associates	<u>3,397</u>	<u>3,166</u>

The Group provided estate management services to Zeta Estates Limited and Kin Tong Land Investment Company Limited, associates of the Group, during the period. Estate management fees were charged at agreed percentages of rental income during the period.

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare any interim dividend for the six months ended 30 June 2014 (2013: HK\$ nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a revenue of HK\$25,442,000 for the six months ended 30 June 2014, which represented an increase of approximately HK\$1,383,000 or 6% as compared with the same period in 2013. This was attributable to an increase of rental income from investment properties.

The profit attributable to equity holders for the six months ended 30 June 2014 was HK\$78,583,000 whereas HK\$134,106,000 was made for the same period in 2013. The decrease in profit of HK\$55,523,000 or 41% was mainly due to the decrease in fair value gain of investment properties held by the Group and its associates.

Hong Kong Business

Property

For the six months ended 30 June 2014, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 99% and the properties rental income was performed satisfactory. The Group's residential properties situated at Red Hill Peninsula held by an associate (33.33% owned) recorded an average occupancy level of approximately 28%. The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.33% owned) recorded an average occupancy level of approximately 88% and the properties have been improving in leasing out.

Beijing Business

The Wangfujing Projects

Dan Yao Building (85% owned)

During the first half of the year 2014, the purchaser of Dan Yao Building has applied for the Certificate for the Use of State-Owned Land, and if the transfer is completed, the purchaser will pay the remaining balance.

Due to the fact that Dan Yao project has been dragged on for a long time, and the registration processes being carried out by the Real State Office of Beijing have also been overdue, the date of completion of the liquidation of Beijing Dan Yao Property Co. Ltd is still uncertain.

The Xidan Project (29.4% owned)

During the first half of the year 2014, according to the board of directors' resolution, Beijing Jing Yuan Property Development Co., Ltd ("Jing Yuan") will be liquidated, and in the meantime, its assets will be activated, and part of the property at the 8th Floor of the building located at No. 1, Hua Yuan North Street was leased out, and part of its debts due were settled.

In the second half of the year 2014, as all the property developments of Jing Yuan have been completed, we will try to liquidate the company as soon as possible.

ASSETS AND CHARGES

The total assets of the Group have increased from HK\$4,940,649,000 as at 31 December 2013 to HK\$5,025,784,000 as at 30 June 2014. Net assets of the Group have also increased from HK\$4,790,022,000, as at 31 December 2013 to HK\$4,869,876,000 as at 30 June 2014. At 30 June 2014, the investment properties of the Group in Hong Kong of HK\$836,400,000 (31 December 2013: HK\$833,300,000), was pledged as securities for the banking facilities. The Group has no bank loan, but will undergo a discussion with the bank for the renewal of banking facilities.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The total liabilities of the Group have increased from HK\$150,627,000 as at 31 December 2013 to HK\$155,908,000 as at 30 June 2014. The Group had cash and bank balances of HK\$358,521,000 as at 30 June 2014 (31 December 2013: HK\$325,906,000). The ratio of total liabilities to total assets was approximately 3% (2013: 3%). As at 30 June 2014, the Group had no bank loans and bank overdrafts (2013: nil) and the total equity was HK\$4,869,876,000 (31 December 2013: HK\$4,790,022,000). As at 30 June 2014, the current assets of the Group amounted to HK\$526,681,000 (31 December 2013: HK\$514,099,000), which exceeded its current liabilities by HK\$488,576,000 (31 December 2013: HK\$482,253,000).

For the six months ended 30 June 2014, the Group had no significant exposure to fluctuations in exchange rates and related hedges and there were no contingent liabilities.

EMPLOYEES

As at 30 June 2014, the Group, excluding associates, had 54 employees of which 42 were employed in Hong Kong.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme. Employees in the Mainland China are provided with medical insurance, elderly insurance, loss of job insurance, injury insurance and provident fund for housing. Some of them are also provided with birth insurance.

PROSPECTS

On the one hand, the road for global economic recovery is still a long way to go. On the other hand, improvement in technology and innovation in business models are not yet well developed. Hong Kong economy is facing various uncertainty. The Group is continuing to follow its predetermined strategy and its principle of prudent financial management. On top of its sound foundation of its core business, the Group is now pursuing a new innovative golf business. The Group also tries to improve its assets structure, enhance its assets intrinsic value and expand its assets size so as to improve its assets liquidity.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30 June 2014.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the directors' securities transactions. The Company has made specific enquiry of all Directors whether they have complied with the Model Code and all Directors confirmed that they have complied with the Model Code for the six-months ended 30 June 2014.

Written guidelines on no less exacting terms than the Model Code relating to securities transactions for employees have been sent to the relevant employees of the Group.

AUDIT COMMITTEE REVIEW

For the six months ended 30 June 2014, the interim results for the reporting period are unaudited. The interim results of the Group have been reviewed by the Audit Committee.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework. The Company has complied with all the code provisions as set out in Appendix 14 of the Code on Corporate Governance Practices of the Listing Rules throughout the accounting period for the six months ended 30 June 2014, except for the following deviations:

Code Provision A.2.1

This Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Group currently has no separation of the role of the chairman and chief executive. The Board considers that this structure will not impair the balance and authority between the Board and the management of the Group.

By Order of the Board
Chen Si Ying, Cynthia
Company Secretary

Hong Kong, 29 August 2014

As at the date of this announcement, the Board comprised Mr. Dai Xiaoming as Executive Director, Mr. Kenneth Hiu King Kon as a Non-Executive Director, and Mr. Jesse Nai Chau Leung, Dr. Xiang Bing and Mr. Edward Shen as Independent Non-Executive Directors.

This interim results announcement is published on the website of the Company (<http://www.danform.com.hk>) and the designated issuer website of the Stock Exchange (<http://www.hkex.com.hk>). The Interim Report 2014 containing all the information required by the Listing Rules will be dispatched to shareholders and made available on the above websites on or around 16 September 2014.