SHUN HO HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 253)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2016

RESULTS

The board of directors (the "Board") of Shun Ho Holdings Limited (formerly known as Shun Ho Resources Holdings Limited) (the "Company") announces that the net profit after tax attributable to owners of the Company before depreciation of property, plant and equipment and release of prepaid lease payments for land for the year ended 31st December, 2016 was HK$224 million (2015: HK$113 million), increased by 98%. The audited consolidated results of the Company and its subsidiaries (together the "Group") for the year, together with comparative figures for the previous year, are as follows:

Consolidated Statement of Profit or Loss

For the year ended 31st December, 2016

	NOTES	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3*	**590,665**	561,827
Cost of sales		**(4,219)**	(4,296)
Other service costs		**(242,466)**	(230,190)
Depreciation of property, plant and equipment and release of prepaid lease payments for land		**(76,470)**	(70,862)
Gross profit		**267,510**	256,479
Increase in fair value of investment properties		**216,101**	28,587
Other income and gains		**48,261**	31,805
Administrative expenses			
- Depreciation		**(7,380)**	(5,347)
- Others		**(38,232)**	(34,205)
		(45,612)	(39,552)
Other expenses		**(15,887)**	(20,246)
Finance costs	*5*	**(12,111)**	(10,405)
Profit before taxation	*6*	**458,262**	246,668
Income tax expense	*7*	**(37,371)**	(38,625)
Profit for the year		**420,891**	208,043

Consolidated Statement of Profit or Loss *(Continued)*
For the year ended 31st December, 2016

	NOTE	2016	2015
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**193,945**	85,403
Non-controlling interests		**226,946**	122,640
		420,891	208,043
		HK cents	*HK cents*
Earnings per share	*8*		
Basic		**80.2**	35.3

Consolidated Statement of Total Comprehensive Income
For the year ended 31st December, 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**420,891**	208,043
Other comprehensive (expense) income		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations	**(101,339)**	(4,759)
Fair value (loss) gain on available-for-sale investments	**(4,671)**	4,876
Securities revaluation reserve released upon disposal of available-for-sale investments	**(564)**	-
Other comprehensive (expense) income for the year	**(106,574)**	117
Total comprehensive income for the year	**314,317**	208,160
Total comprehensive income attributable to:		
Owners of the Company	**155,865**	85,434
Non-controlling interests	**158,452**	122,726
	314,317	208,160

Consolidated Statement of Financial Position
At 31st December, 2016

	NOTES	2016 HK$'000	2015 HK$'000
Non-Current Assets			
Property, plant and equipment		**2,874,620**	2,849,408
Prepaid lease payments for land		**27,898**	30,765
Investment properties		**3,890,050**	3,011,800
Properties under development		**56,369**	102,981
Available-for-sale investments		**6,768**	135,192
		6,855,705	6,130,146
Current Assets			
Inventories		**1,067**	946
Prepaid lease payments for land		**795**	852
Trade and other receivables	*9*	**22,603**	21,128
Other deposits and prepayments		**9,336**	9,475
Pledged bank deposits		**446,587**	-
Bank balances and cash		**434,826**	1,065,431
		915,214	1,097,832
Current Liabilities			
Trade and other payables and accruals	*10*	**36,099**	35,037
Rental and other deposits received		**25,524**	26,858
Advance from ultimate holding company		**48,469**	46,428
Tax liabilities		**4,434**	6,512
Bank loans		**809,271**	559,815
		923,797	674,650
Net Current (Liabilities) Assets		**(8,583)**	423,182
Total Assets less Current Liabilities		**6,847,122**	6,553,328
Capital and Reserves			
Share capital		**172,252**	172,252
Reserves		**2,919,972**	2,764,107
Equity attributable to owners of the Company		**3,092,224**	2,936,359
Non-controlling interests		**3,565,228**	3,436,366
Total Equity		**6,657,452**	6,372,725
Non-Current Liabilities			
Rental deposits received		**34,238**	26,316
Deferred tax liabilities		**155,432**	154,287
		189,670	180,603
		6,847,122	6,553,328

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$8.6 million as at 31st December, 2016. In the opinion of the directors of the Company, the Group has a number of sources of finance available to fund its operations, including internal resources, available unutilised banking facilities or obtain additional financing from financial institutions by taking into account the current value of the Group's assets which have not been pledged. The ultimate holding company has also agreed to provide adequate funds to enable the Company to meet in full its financial obligation as they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The financial information relating to the years ended 31st December, 2016 and 2015 included in this preliminary announcement of annual results 2016 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31st December, 2016 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and is analysed as follows:

	2016	2015
	HK$'000	*HK$'000*
Income from operation of hotels	**443,990**	435,821
Income from property rental	**139,614**	123,960
Dividend income	**7,061**	2,046
	590,665	561,827

4. SEGMENT INFORMATION

The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

1. Hospitality services - Best Western Plus Hotel Kowloon
2. Hospitality services - Best Western Plus Hotel Hong Kong
3. Hospitality services - Magnificent International Hotel, Shanghai
4. Hospitality services - Best Western Hotel Causeway Bay
5. Hospitality services - Best Western Hotel Harbour View
6. Hospitality services - Best Western Grand Hotel
7. Hospitality services - Grand City Hotel
8. Property investment - 633 King's Road
9. Property investment - Shun Ho Tower
10. Property investment - Shops
11. Property investment - Hotel
12. Securities investment

Information regarding the above segments is reported below.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments for the years:

	Segment revenue		Segment profit	
	Year ended 31st December,		Year ended 31st December,	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hospitality services	**443,990**	435,821	**121,920**	131,912
- Best Western Plus Hotel Kowloon	**57,360**	60,093	**7,227**	13,507
- Best Western Plus Hotel Hong Kong	**73,989**	78,052	**27,564**	27,604
- Magnificent International Hotel, Shanghai	**21,455**	22,253	**4,667**	3,785
- Best Western Hotel Causeway Bay	**59,319**	63,406	**13,905**	17,037
- Best Western Hotel Harbour View	**87,199**	91,792	**32,494**	37,444
- Best Western Grand Hotel	**100,671**	103,996	**24,272**	27,003
- Grand City Hotel	**43,997**	16,229	**11,791**	5,532
Property investment	**139,614**	123,960	**354,630**	151,108
- 633 King's Road	**96,238**	95,471	**265,440**	94,167
- Shun Ho Tower	**22,633**	21,850	**63,222**	50,302
- Shops	**4,346**	6,639	**4,346**	6,639
- Hotel	**16,397**	-	**21,622**	-
Securities investment	**7,061**	2,046	**7,061**	2,046
	590,665	561,827	**483,611**	285,066
Other income and gains			**48,261**	31,805
Central administration costs and directors' emoluments			**(45,612)**	(39,552)
Other expenses			**(15,887)**	(20,246)
Finance costs			**(12,111)**	(10,405)
Profit before taxation			**458,262**	246,668

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and the United Kingdom (the "UK").

The following is an analysis of the Group's revenue primarily by geographical markets based on location of assets:

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**552,813**	539,574
The PRC	**21,455**	22,253
The UK	**16,397**	-
	590,665	561,827

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interests on :		
Bank loans	**10,062**	9,731
Advance from ultimate holding company	**2,049**	2,107
	12,111	11,838
Less: amount capitalised in properties under development (Note)	**-**	(1,433)
	12,111	10,405

Note: The amount capitalised in properties under development represents the borrowing costs directly attributed to the construction of properties under development.

6. PROFIT BEFORE TAXATION

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**3,662**	3,358
Staff costs including directors' emoluments	**170,028**	166,746
Depreciation of property, plant and equipment	**83,055**	75,357
Loss (gain) on disposal of property, plant and equipment	**141**	(4,019)
Release of prepaid lease payments for land	**795**	852
Operating lease rental in respect of rented equipment	**1,514**	771
Gross rental income from investment properties	**(139,614)**	(123,960)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**1,085**	1,440
	(138,529)	(122,520)

7. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
The taxation charge comprises:		
Current tax		
Hong Kong	**35,009**	36,605
The PRC	**998**	780
The UK	**466**	-
	36,473	37,385
Overprovision in prior years		
Hong Kong	**(247)**	(281)
	36,226	37,104
Deferred tax		
Current year	**1,145**	1,521
	37,371	38,625

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$193,945,000 (2015: HK$85,403,000) and on 241,766,000 shares (2015: 241,766,000 shares) in issue during the year. The number of shares adopted in the calculation of the earnings per share has been arrived at after eliminating the shares in the Company held by a subsidiary.

Diluted earnings per share for both years are not presented as there are no potential ordinary shares exist during both years.

9. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Analysed for reporting as:		
Trade receivables	**19,917**	18,498
Other receivables	**2,686**	2,630
	22,603	21,128

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Not yet due	**18,974**	17,610
Overdue:		
0-30 days	**758**	855
31-60 days	**179**	23
61-90 days	**6**	10
	19,917	18,498

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2016	2015
	HK$'000	*HK$'000*
Analysed for reporting as:		
Trade payables	**3,194**	3,703
Other payables and accruals (Note)	**32,905**	31,334
	36,099	35,037

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0-30 days	**2,291**	2,953
31-60 days	**64**	722
61-90 days	**839**	28
	3,194	3,703

Note: Other payable and accruals include construction costs payable of HK$644,000 (2015: HK$5,182,000).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31st December, 2016 (2015: Nil).

The Company's revenue mainly derived from its investment in Shun Ho Property Investments Limited ("Shun Ho Property") and no others. Because of the limited existing dividend income, the Board does not recommend the payment of a final dividend for the year ended 31st December, 2016. The Company is seeking other local property investments in order to increase additional incomes.

BOOK CLOSURE

To ascertain shareholders' eligibility to attend and vote at the Annual General Meeting to be held on Friday, 16th June, 2017 ("AGM"), the register of members will be closed from Monday, 12th June, 2017 to Friday, 16th June, 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 9th June, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, the Group through its major subsidiaries, Shun Ho Property and Magnificient Hotel Investments Limited ("Magnificent Hotel"), continued with its commercial properties investment and property leasing, hotels investment, development and operations.

During the year, the Company changed its name to "Shun Ho Holdings Limited" so as to reflect its business holding nature.

The net profit after tax attributable to the owners of the Company before depreciation of property, plant and equipment and release of prepaid lease payments for land for the year ended 31st December, 2016 was HK$224 million (2015: HK$113 million), increased by 98%.

Hotel Business

The Company owns 50.26% of Shun Ho Property which holds 71.09% of Magnificent Hotel as its hotel investment subsidiary. Magnificent Hotel presently owns eight hotels and operates seven hotels, including: (1) Best Western Plus Hotel Kowloon, (2) Best Western Plus Hotel Hong Kong, (3) Best Western Grand Hotel, (4) Best Western Hotel Causeway Bay, (5) Best Western Hotel Harbour View, (6) Grand City Hotel and (7) Magnificent International Hotel, Shanghai with 2,037 rooms, which is one of the largest hotel groups in Hong Kong. (8) Royal Scot Hotel in London was leased to a hotel management company, Travelodge.

The Best Western Plus Hotel Kowloon is undergoing renovation to add approximately 40 hotel rooms and is expected to be completed in 2017.

During the year, the Group acquired the freehold property of Royal Scot Hotel situate at 100 King's Cross Road, London for the consideration of £70,300,000 (equivalent to approximately HK$731,000,000). The current net income is £3,137,487 (equivalent to approximately HK$32,912,000) per annum.

The net profit after tax attributed to owners of Magnificent Hotel before revaluation gain of investment properties and depreciation of property, plant and equipment and release of prepaid lease payments for land for the year ended 31st December, 2016 was HK$205 million (2015: HK$214 million), decreased by 4%. The income from operation of hotels amounted to HK$444 million (2015: HK$436 million), increased by 2%. The average occupancy in the Group's Hong Kong hotels was 99% and the average room rate was HK$604.

The major reasons for the above decline in Magnificent Hotel net profit of HK$9 million were mainly due to loss of rental income and property management fee income by HK$50 million after group reorganization.

Commercial Properties Rental Income

The properties rental income was derived from office buildings of Shun Ho Tower, 633 King's Road, Royal Scot Hotel and shops from Best Western Plus Hotel Kowloon, Best Western Plus Hotel Hong Kong and Best Western Grand Hotel amounted to HK$140 million (2015: HK$124 million).

The properties rental income was analysed as follows:

	2015	**2016**	Change
	HK$'000	***HK$'000***	
633 King's Road	95,471	**96,238**	+1%
Shun Ho Tower	21,850	**22,633**	+4% (Note)
Shops	6,639	**4,346**	-35%
Royal Scot Hotel	-	**16,397**	N/A
Total	123,960	**139,614**	+13%

Note: Non-controlling interest will be deducted in consolidated statement of profit or loss.

During the year, 633 King's Road and Shun Ho Tower were almost fully occupied. The increase of office building rental was due to the renewal of leases during the year. The decrease of shop rental was due to the expiry of the tenancy of first floor of Best Western Plus Hotel Kowloon.

LIQUIDITY

- At 31st December, 2016, the overall debt of the Group including Shun Ho Property and Magnificent Hotel and their subsidiaries was HK$858 million (2015: HK$606 million). The bank loan increased due to the acquisition of Royal Scot Hotel, London during the year. The debt ratio was 7% (2015: 5%) in terms of overall debts of HK$858 million (2015: HK$606 million) against the fully revalued assets of the Group amounted to HK$12,996 million (2015: HK$12,739 million). The gearing ratio of the Group was 13% (2015: 10%).

  The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar and Pound Sterling. Accordingly, the Group explores to exchange risk and management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. As at 31st December, 2016, the Group's staffing level did not have material change when compared with that of 31st December, 2015. Remuneration and benefit were set with reference to the market.

LOOKING AHEAD

- Magnificent Hotel will continue its business of hotel operations and will seek to acquire more hotel incomes by acquisition of hotel properties or serviced apartment hotels. Looking ahead, the hotel industry may have stabilized with increase of visitors from short haul markets and more PRC individual travellers. But the PRC visitor's less spending power, increase of supply of new hotel rooms, competing room rate and occupancy may still affect hotel industry adversely. Hotel revenue this coming year may experience small improvement.

- The Group formed a joint venture company to acquire a hotel building in Vancouver Canada. The acquisition cost is CA$145 million (equivalent to approximately HK$858.02 million). The building is a 5-star hotel, namely Rosewood Hotel Georgia, that is one of the most sought-after and legendary luxury downtown Vancouver hotels, offering unparalleled service in an ideal locale.

  The hotel building was newly constructed in 2011 with a total gross floor area of 197,000 sq. ft. on a lot size of 29,924 sq. ft. and the rooms were modified from 312 rooms to 156 exceptionally large guest rooms. The acquisition price of CA$736 (equivalent to approximately HK$4,355) per sq. ft. is below the construction replacement costs. It is an excellent opportunity to enter the vibrant Vancouver real estate and hotel market at a low unit price for a new and most prestigious building on the most prominent location of the city centre with initial yield of 4%.

- In February 2017, Shun Ho Property announced the acquisition of a large hotel property located at No.88 Chun Yeung Street, North Point, Hong Kong and known as Newton Inn. The property has a site area of 9,557 sq. ft. and an approval building plan area of 143,342 sq. ft. The property houses 317 guest rooms with food and beverage and swimming pool facilities

  The consideration of HK$1 billion represents approximately HK$6,900 per sq. ft. or HK$3.1 million per room only. The low acquisition unit price presents an extremely attractive investment opportunity to acquire a large scale property located in the busiest retail, commercial and tourism area of the fast developing and bustling commercial district of North Point. The management intends to spend limited amount on a 3 months renovation program and rebranding with international logo which will quickly improve the newly renovated hotel's earning ability and value.

  Because of its excellent location for retail, commercial and entertainment, the management of Group has a long-term plan to convert or rebuild the superstructure for a first class retail commercial building with an area of 143,342 sq. ft. at appropriate time for long term investment.

  The purchase consideration is almost equal to today's construction replacement cost, not only offers stable recurring income for the short and medium terms but also provides future substantial capital gain potential for conversion or rebuilding into first class commercial building.

- Shun Ho Property will continue its management and investment of 633 King's Road and Shun Ho Tower, Ice House Street.

- Overall the short term prospect of the Group's earning may improve modestly with the stabilization of local hotel industry and office rental demand increase. Earning growth is to be expected from the newly acquired Newton Inn hotel, which will benefit the Company from more dividend payout by its subsidiary Shun Ho Property.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the year ended 31st December, 2016, the Company has complied with all the code provisions set out in the Corporate Governance Code of Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited with the exception of the following deviations:

Code Provision A.2.1: chairman and chief executive should not be performed by the same individual

The Company does not have separate appointments for Chairman and Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates the planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders.

Code Provision A.4.1: non-executive directors should be appointed for a specific term

Except two independent non-executive directors, all directors of the Company (including executive or non-executive directors) are not appointed for a fixed term. The Articles of Association of the Company stipulate that every director (including executive or non-executive directors) shall retire and be re-elected at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the Corporate Governance Code.

Code Provision A.5.2: the nomination committee should perform the duties set out in paragraphs (a) to (d)

The terms of reference of the nomination committee adopted by the Company are in compliance with the code provision A.5.2 except that it is not the duty of the nomination committee to select individuals nominated for directorships. The nomination committee comprises a majority of independent non-executive directors who are not involved in the daily operation of the Company and may not have sufficient knowledge of industry practice. Such duty should be performed by the board.

Code Provision B.1.2: the remuneration committee's terms of reference should include, as a minimum, paragraphs (a) to (h)

The terms of reference of the remuneration committee adopted by the Company are in compliance with the code provision B.1.2 except that it is not the duties of the remuneration committee to approve the management's remuneration proposals, compensation payable to executive directors and senior management for any loss or termination of office or appointment and compensation arrangements relating to dismissal or removal of directors for misconduct. The remuneration committee comprises a majority of independent non-executive directors who are not involved in the daily operation of the Company and may not have sufficient knowledge of industry practice. Such duties should be performed by the board.

(b) Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the year.

REVIEW BY THE AUDIT COMMITTEE

The audit committee has reviewed the audited financial results of the Group for the year ended 31st December, 2016.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of total comprehensive income and the related notes thereto for the year ended 31st December, 2016 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the Preliminary Announcement.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 13th March, 2017

As at the date hereof, the Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and Mr. Albert Hui Wing Ho; one is Non-executive Director, namely Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.