CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED
周生生集團國際有限公司 *

(Incorporated in Bermuda with limited liability)

Stock code: 116

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

The Board of Directors (the "Board") of Chow Sang Sang Holdings International Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017. The interim results have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 June 2017 HK$'000	2016 HK$'000	Change
Turnover			
Jewellery retail	**7,005,048**	6,870,966	+2%
Other businesses	**1,007,302**	929,863	+8%
	8,012,350	7,800,829	+3%
Profit attributable to equity holders of the Company	**392,074**	363,872	+8%
Earnings per share			
Basic	**57.9 cents**	53.8 cents	+8%
Diluted	**57.8 cents**	53.8 cents	+7%
Interim dividend per share	**9.0 cents**	8.0 cents	
Dividend payout ratio	**16%**	15%	
Equity attributable to equity holders of the Company	**9,435,160**	9,037,898^	+4%
Equity per share	**$13.9**	$13.4^	+4%

^ Audited as at 31 December 2016

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2017

	Note	Unaudited Six months ended 30 June **2017** **HK$'000**	 2016 HK$'000
TURNOVER	4		
Jewellery retail		**7,005,048**	6,870,966
Other businesses		**1,007,302**	929,863
		8,012,350	7,800,829
Cost of sales		**(6,054,814)**	(5,692,042)
Gross profit		**1,957,536**	2,108,787
Other income, net		**75,181**	48,474
Selling and distribution costs		**(1,235,592)**	(1,300,413)
Administrative expenses		**(253,722)**	(255,668)
Other gains/(losses), net		**6,204**	(93,967)
Finance costs		**(14,413)**	(10,071)
Share of profit of an associate		**294**	269
PROFIT BEFORE TAX	5	**535,488**	497,411
Income tax	6	**(143,414)**	(133,539)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**392,074**	363,872
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		**57.9 cents**	53.8 cents
Diluted		**57.8 cents**	53.8 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**392,074**	363,872
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale investments	**75,550**	(44,274)
Exchange differences on translation	**162,030**	(118,757)
Other comprehensive income/(loss) for the period	**237,580**	(163,031)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**629,654**	200,841

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	**Unaudited 30 June 2017 HK$'000**	Audited 31 December 2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**697,007**	704,191
Investment properties		**295,573**	295,573
Prepaid land lease payments		**11,571**	11,356
Intangible assets		**271**	271
Other assets		**232,859**	240,423
Investment in an associate		**28,407**	28,388
Available-for-sale investments		**838,730**	763,180
Deferred tax assets		**16,539**	13,381
Total non-current assets		**2,120,957**	2,056,763
CURRENT ASSETS			
Inventories		**7,187,846**	6,557,877
Accounts receivable	9	**619,287**	791,681
Receivables arising from securities and futures broking	10	**937,018**	826,332
Prepayments, deposits and other receivables		**337,027**	224,250
Investments at fair value through profit or loss		**37,457**	33,078
Derivative financial instruments		**8,170**	18
Tax recoverable		**1,186**	2,590
Cash held on behalf of clients		**486,053**	426,002
Cash and cash equivalents		**1,115,547**	1,282,809
Total current assets		**10,729,591**	10,144,637
CURRENT LIABILITIES			
Accounts payable	11	**171,625**	263,387
Payables arising from securities and futures broking	11	**529,026**	419,717
Other payables and accruals		**342,790**	343,237
Derivative financial instruments		**-**	558
Interest-bearing bank borrowings		**521,497**	496,268
Interest-bearing bank borrowings arising from securities and futures broking		**260,000**	230,000
Bullion loans		**781,039**	756,390
Tax payable		**86,585**	96,325
Total current liabilities		**2,692,562**	2,605,882
NET CURRENT ASSETS		**8,037,029**	7,538,755
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,157,986**	9,595,518

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Unaudited 30 June 2017 HK$'000	Audited 31 December 2016 HK$'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**509,671**	360,154
Deferred tax liabilities	**213,155**	197,466
Total non-current liabilities	**722,826**	557,620
Net assets	**9,435,160**	9,037,898
EQUITY		
Issued capital	**169,230**	169,230
Reserves	**9,265,930**	8,868,668
Total equity	**9,435,160**	9,037,898

NOTES:

1. Basis of preparation

This unaudited condensed consolidated interim financial report 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 ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

This interim financial report should be read in conjunction with the Annual Report 2016.

The accounting policies and basis of computation used in the preparation of this interim financial report are the same as those used in the Group's audited financial statements for the year ended 31 December 2016, except for the adoption of revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) which have become effective for accounting periods beginning on or after 1 January 2017 as disclosed in note 2 below.

2. Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current period's consolidated interim financial report:

Amendments to HKFRS 12 included in Annual Improvements 2014-2016 Cycle	Disclosure of Interests in Other Entities
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealized Losses

The adoption of the above revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

3. Operating segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

(a) the manufacture and retail of jewellery segment produces jewellery products for the Group's retail business and operates retail stores mainly in Hong Kong, Macau, Mainland China and Taiwan;

(b) the wholesale of precious metals segment trades precious metals to wholesale customers;

(c) the securities and futures broking segment provides brokering and dealing services for securities and futures; and

(d) the other businesses segment comprises, principally, the investment in properties for their rental income and capital appreciation potential, and other jewellery related businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that certain dividend income and share of profit of an associate are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Manufacture and retail of jewellery HK$'000	**Wholesale of precious metals HK$'000**	**Securities and futures broking HK$'000**	**Other businesses HK$'000**	**Total HK$'000**
Six months ended 30 June 2017					
Segment revenue					
Sales to external customers	**7,005,048**	**960,054**	**13,965**	**33,283**	**8,012,350**
Intersegment sales	**-**	**224,332**	**-**	**1,542**	**225,874**
	7,005,048	**1,184,386**	**13,965**	**34,825**	**8,238,224**
Reconciliation:					
Elimination of intersegment sales					**(225,874)**
					8,012,350
Segment results	**499,548**	**6,459**	**17,073**	**3,402**	**526,482**
Reconciliation:					
Dividend income					**8,712**
Share of profit of an associate					**294**
Profit before tax					**535,488**

3. Operating segment information (continued)

	Manufacture and retail of jewellery HK$'000	Wholesale of precious metals HK$'000	Securities and futures broking HK$'000	Other businesses HK$'000	Total HK$'000
Six months ended 30 June 2016					
Segment revenue					
Sales to external customers	6,870,966	867,561	11,982	50,320	7,800,829
Intersegment sales	-	393,373	-	1,542	394,915
	6,870,966	1,260,934	11,982	51,862	8,195,744
Reconciliation:					
Elimination of intersegment sales					(394,915)
					7,800,829
Segment results	482,122	6,604	(5,611)	1,664	484,779
Reconciliation:					
Dividend income					12,363
Share of profit of an associate					269
Profit before tax					497,411

4. Turnover

Turnover, which is also the Group's revenue, represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and futures broking and gross rental income earned during the period.

Revenue from the following activities has been included in turnover:

	Six months ended 30 June	
	2017 HK$'000	2016 HK$'000
Sales of goods	**7,992,554**	7,783,003
Commission on securities and futures broking	**13,965**	11,982
Gross rental income	**5,831**	5,844
	8,012,350	7,800,829

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
Depreciation	**93,031**	90,238
Operating lease payments in respect of leasehold land and buildings:		
Minimum lease payments	**423,021**	472,156
Contingent rents	**7,927**	8,996
	430,948	481,152
Net fair value loss on bullion loans designated as at fair value through profit or loss#	**13,178**	53,528
Net fair value loss/(gain) on derivative financial instruments - transactions not qualifying as hedges#	**(8,590)**	23,862
Net fair value loss/(gain) on investments at fair value through profit or loss#	**(4,379)**	3,822
Net loss on bullion loans designated as at fair value through profit or loss∆	**36,757**	163,134
Net loss on disposal of derivative financial instruments∆	**7,163**	85,863
Interest income	**(33,748)**	(15,120)
Dividend income	**(9,243)**	(12,960)

These balances are included in "Other gains/(losses), net" on the face of the consolidated statement of profit or loss.

∆ These balances are included in "Cost of sales" on the face of the consolidated statement of profit or loss. The purpose of the above bullion transactions entered into by the Group is to manage the Group's bullion price risk. Such loans and contracts did not meet the criteria for hedge accounting.

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Under the Law of the People's Republic of China on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT law, the tax rate of the Mainland China subsidiaries is 25% (2016: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
Current - Hong Kong		
Charge for the period	**14,070**	15,659
Overprovision in prior periods	**-**	(542)
Current - Mainland China and elsewhere		
Charge for the period	**116,533**	110,687
Overprovision in prior periods	**(28)**	(843)
Deferred	**12,839**	8,578
Total tax charge for the period	**143,414**	133,539

7. Dividends

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
Dividends recognized as distribution during the period:		
Final dividend for 2016: HK35.0 cents (2015: HK36.0 cents) per ordinary share	**236,922**	243,691
Special final dividend for 2016: Nil (2015: HK14.0 cents) per ordinary share	**-**	94,769
	236,922	338,460
Dividends declared after the end of the reporting period:		
Interim dividend declared for 2017: HK9.0 cents (2016: HK8.0 cents) per ordinary share	**60,923**	54,154

The interim dividend is not recognized as a liability as at 30 June 2017 because it has been declared after the end of the reporting period.

8. Earnings per share attributable to equity holders of the Company

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to equity holders of the Company of HK$392,074,000 (2016: HK$363,872,000), and the weighted average number of ordinary shares of 676,920,000 (2016: 676,920,000) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to equity holders of the Company of HK$392,074,000 (2016: HK$363,872,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue of 678,073,791 (2016: 676,920,000) during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 1,153,791 (2016: Nil) assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

9. Accounts receivable

	30 June 2017 HK$'000	31 December 2016 HK$'000
Trade and credit card receivables	**619,287**	792,781
Impairment	**-**	(1,100)
Accounts receivable	**619,287**	791,681

The Group's trading terms with its retail customers are mainly on cash and credit card settlement while trading terms with corporate clients and wholesale customers are on credit with credit period generally up to 60 days. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the accounts receivable at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2017 HK$'000	31 December 2016 HK$'000
Within 1 month	**444,865**	682,677
1 to 2 months	**135,550**	87,509
2 to 3 months	**21,391**	14,237
Over 3 months	**17,481**	7,258
	619,287	791,681

10. Receivables arising from securities and futures broking

	30 June 2017 HK$'000	31 December 2016 HK$'000
Receivables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	**60,921**	71,439
Clearing houses	**20,353**	10,059
Clients for subscription of initial public offering ("IPO") shares	**1,655**	-
Loans to margin clients	**854,089**	744,834
Receivables arising from securities and futures broking	**937,018**	826,332

The receivables are settled two days after the trade date or at specific terms agreed with clearing houses, brokers and dealers. Futures deals are normally settled on cash basis. Receivables from margin and cash clients arising from the business of dealing in securities and futures broking are repayable on demand subsequent to settlement date.

10. Receivables arising from securities and futures broking (continued)

An ageing analysis of the receivables arising from securities and futures broking at the end of the reporting period, based on the due date and net of provisions, is as follows:

	30 June 2017 HK$'000	31 December 2016 HK$'000
Not yet due	**51,485**	17,411
Within 1 month past due	**22,542**	36,637
1 to 2 months past due	**832**	22,430
2 to 3 months past due	**1,305**	366
Over 3 months past due	**5,110**	4,654
	81,274	81,498
Loans to margin clients#	**854,089**	744,834
Clients for subscription of IPO shares*	**1,655**	-
	937,018	826,332

The loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing. As at 30 June 2017, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK$1,144,750,000 (31 December 2016: HK$1,492,212,000).

* As at 30 June 2017, receivables from clients for subscription of IPO shares of HK$1,655,000 (31 December 2016: Nil), were due when the corresponding allotment results of the related IPO shares had been publicly announced and bore interest at commercial rates.

11. Accounts payable/Payables arising from securities and futures broking

An ageing analysis of the accounts payable and payables arising from securities and futures broking at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2017 HK$'000	31 December 2016 HK$'000
Within 1 month	**168,071**	248,762
1 to 2 months	**2,602**	14,625
Over 2 months	**952**	-
Accounts payable	**171,625**	263,387
Payables arising from securities and futures broking*	**529,026**	419,717
	700,651	683,104

* No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not meaningful in view of the nature of such business.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In the first half of 2017 there were relatively few events which had impact on the global and local economic climate.

In Hong Kong, the election of the new Chief Executive of the HKSAR was carried out with no major conflict. Both the property market and stock market were showing stronger momentum, which was favorable to consumer sentiment. The slippage in arrival of mainland tourists had largely halted, despite the Renminbi having been soft against the Hong Kong dollar.

China registered a stronger economic growth than expected, reaching 6.9% in GDP growth in the first half of 2017. Renminbi exchange rate had stabilized with liquidity concern easing.

The Group’s turnover for the first half of 2017 increased 3% to HK$8,012 million. Profit attributable to equity holders increased by 8% to HK$392 million.

Jewellery Retail

Operating profit returned to positive growth, after three years of drop, with an increase of 4% year-on-year to HK$500 million. Jewellery retail accounted for 87% of the Group’s turnover.

Hong Kong and Macau
Sales registered a slip of 5%, of which 4% was attributable to shop closures. Same store sales growth (“SSSG”) for the period was -3% but positive SSSG was recorded in three of the six months in the first half including the month of June. Comparing to the -26% SSSG in the same period of 2016, the downward trend seemed to have bottomed.

Sales of gem-set jewellery had not reversed its downward trend since 2016.

During the period, three Chow Sang Sang shops were closed, but a new one was established in Tung Chung.

Macau was still suffering from relatively weak tourist traffic. Shops located in the shopping arcades performed worse than the main street shop.

Total shop rental expenditure was HK$52 million less than last year. For leases renewed in the first half, the adjustment in rental ranged between +6% to -65%. There are three large shops in tourist areas which are due for renewal in 2018.

Capital expenditure amounted to HK$14 million, most of which was for new shops and refitting of shops.

Mainland China
Total turnover rose 8% year-on-year to HK$4,040 million. In Renminbi term, total turnover rose by 13% and SSSG was +8%.

Although jewellery maintained a positive momentum in the first half of 2017, gold sales was stronger in term of period on period performance, benefitting from a low base in 2016 (2016 SSSG in 1H for gold was -13% while jewellery was +7%).

Online sales continued to grow, and accounted for about 13% of our China sales. Gold products dominate the sales mix.

At the end of June, there was a total of 395 shops located in 116 cities. New shops numbered 29, and there were 8 closings.

With new openings and the refitting of 18 stores, capital expenditure came to RMB50 million.

Taiwan
The retail sector remained weak. There is no significant change in the results from the same period in 2016.

Wholesale of Precious Metals

Turnover increased by 11% to HK$960 million. Operating profit decreased by 2% to HK$6 million.

Securities and Futures Broking

The market momentum in the first half of 2017 gained strength. Market turnover was increased by 13% with daily turnover averaged at HK$76 billion (2016: HK$68 billion). Our turnover increased by 17% with commission income increased by over 20%, reflecting a slight improvement in retail investor sentiment.

To further explore the opportunities in China, we have entered into a joint venture agreement with Harvest Fund Management Co., Ltd to form a securities company in the PRC under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) framework. The joint venture is in the process of applying for approval and licensing.

Investments

Properties
The Group holds various properties that are being used for offices, shops and factories. Rental income from investment properties amounted to HK$6 million, less than 1% of the Group's turnover.

Shares in Hong Kong Exchanges and Clearing Limited ("HKEC")
As at 1 January 2017, the Group had 4,061,800 shares of HKEC, received as distribution from the reorganization of the then exchanges in year 2000. The amount remained unchanged throughout the period under review. As at 30 June 2017, the unrealized gain on the holding amounted to HK$819 million (31 December 2016: HK$744 million).

Finance

Financial Position and Liquidity

The Group generates strong recurring cashflow from its jewellery business and continues to enjoy a solid cash position. As at 30 June 2017, the Group had cash and cash equivalents of HK$1,116 million, compared to HK$1,283 million at the end of 2016. Cash is mostly held in Renminbi or Hong Kong dollar and deposited in leading banks with maturity dates falling within one year.

The Group was well supported by over HK$6,193 million in banking facilities including bank borrowings and bullion loans, out of which HK$969 million are committed facilities. As at 30 June 2017, the total unutilized banking facilities amounted to HK$4,067 million (31 December 2016: HK$4,318 million).

As at 30 June 2017, total bank borrowings and bullion loans amounted to HK$1,291 million and HK$781 million respectively, most of which were unsecured in accordance with the Group's policy. All the loans are repayable within three years. The gearing ratio was 22%, based on total bank borrowings and bullion loans of HK$2,072 million as a percentage of total equity of HK$9,435 million. The current ratio of the Group was 4.

The Group manages risk of credit cost and availability by several means: cultivating relationship with a large number of lending banks; diversifying the funding sources by engaging a number of local and overseas banks; putting some loans on a term basis; and fixing interest costs on loans as appropriate. The Group had 26% of its bank loans at fixed rates as at 30 June 2017, decreased from 29% as at 31 December 2016.

As at 30 June 2017, outstanding derivatives on the books were mainly bullion contracts for hedging the bullion price exposure. The management monitors the hedging policy closely and the hedging level of the Group is approximately 40% of the total gold inventories.

Foreign Exchange Risk Management

The Group's assets and liabilities, revenue and expenses are mostly denominated in Hong Kong dollar, Renminbi and US dollar. As such, the risk is easily manageable and slight. Simultaneously, the Group maintains an appropriate level of foreign currency borrowings for natural hedge to minimize the foreign exchange exposure. As at 30 June 2017, the borrowings denominated in New Taiwan dollar amounted to NT$126 million.

Charge on Assets and Contingent Liabilities

As at 30 June 2017, certain items of properties of the Group with a net carrying value of HK$215 million (31 December 2016: HK$217 million), and listed equity investments of HK$696 million (31 December 2016: HK$660 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2017, the Group had no material contingent liabilities.

Human Resources

The Group maintains its long-established performance-based remuneration policies with a discretionary annual performance bonus. Training has been provided to new and existing staff at a pace commensurate with the expansion of the networks in all territories.

A share option scheme is in place to provide incentives or rewards to eligible participants for their contribution to the Group and enabling the Group to recruit and retain valuable employees.

As at 30 June 2017, the total number of employees of the Group was 8,739. There were 1,345 staff members in Hong Kong and 7,148 in the mainland.

Outlook

For 2017, we remain cautious. Interest rate correction and deleveraging in the global market will bring uncertainty. Though we had seen some improvements in consumer sentiment, a strong recovery is yet to materialize in Hong Kong. We will continue to keep a tight control over our costs.

In Hong Kong, we will continue with the realignment of our network to match the change in consumer pattern and preferences. Overall, we expect to reduce the amount of floor space while maintaining more or less the same number of shops.

In China, as the economy continues to grow, consumers are getting more and more sophisticated. We see opportunities to grow via product and brand differentiation. As our online sales expand, we are putting more effort into offering a seamless customer experience. We will continue to open new stores at around 50 per year. About half of them will be in shopping malls, which will allow more flexibility for providing various services to customers.

DIVIDEND

The Board has declared an interim dividend of HK9.0 cents (2016: HK8.0 cents) per ordinary share for the six months ended 30 June 2017 payable to shareholders whose names appear on the register of members of the Company on Friday, 15 September 2017. The dividend will be paid on Friday, 22 September 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 13 September 2017 to Friday, 15 September 2017, both days inclusive, during such period no transfer of shares will be registered. To ensure the entitlement to the interim dividend, shareholders are reminded to lodge their transfer documents accompanied by the relevant share certificates with the Company's branch share registrars, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 12 September 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

The Company has complied throughout the period under review with the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules, except for the deviation from a code provision A.2.1 of the Code which is explained below.

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Vincent CHOW Wing Shing holds both positions of the Chairman and the Group General Manager of the Company. The Board is of the opinion that the present board structure provides the Group with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Group at www.chowsangsang.com and HKEC at www.hkexnews.hk. The 2017 interim report of the Company will be available on both websites and despatched to shareholders on or about Friday, 15 September 2017.

BOARD OF DIRECTORS

As at the date of this announcement, the Executive Directors of the Company are Mr. Vincent CHOW Wing Shing, Dr. Gerald CHOW King Sing and Mr. Winston CHOW Wun Sing; the Non-executive Directors are Mr. Stephen TING Leung Huel and Mr. CHUNG Pui Lam; and the Independent Non-executive Directors are Dr. CHAN Bing Fun, Mr. LEE Ka Lun, Dr. LO King Man and Mr. Stephen LAU Man Lung.

By order of the Board
Vincent CHOW Wing Shing
Chairman

Hong Kong, 29 August 2017