SHUN HO PROPERTY INVESTMENTS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 219)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2017

RESULTS

The board of directors (the "Board") of Shun Ho Property Investments 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, 2017 was HK$867 million (2016: HK$441 million), increased by 97%. 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, 2017

	NOTES	**2017**	2016
		HK$'000	*HK$'000*
Revenue	*3*	**671,557**	590,665
Cost of sales		**(4,694)**	(4,219)
Other service costs		**(263,497)**	(242,466)
Depreciation of property, plant and equipment and release of prepaid lease payments for land		**(87,984)**	(76,470)
Gross profit		**315,382**	267,510
Increase in fair value of investment properties		**669,900**	216,101
Other income and expenses and gains and losses		**(15,540)**	32,373
Administrative expenses		**(53,634)**	(44,237)
- Depreciation		**(8,088)**	(7,380)
- Others		**(45,546)**	(36,857)
Finance costs	*5*	**(19,994)**	(10,176)
Profit before taxation	*6*	**896,114**	461,571
Income tax expense	*7*	**(48,030)**	(37,371)
Profit for the year		**848,084**	424,200

Consolidated Statement of Profit or Loss *(Continued)*
For the year ended 31st December, 2017

	NOTE	2017	2016
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**793,515**	381,389
Non-controlling interests		**54,569**	42,811
		848,084	424,200
		HK cents	*HK cents*
Earnings per share	*9*		
Basic		**155.1**	74.5
Diluted		**N/A**	N/A

Consolidated Statement of Total Comprehensive Income
For the year ended 31st December,2017

	2017 *HK$'000*	2016 *HK$'000*
Profit for the year	**848,084**	424,200
Other comprehensive income (expense)		
Items that may be subsequently reclassified to profit or loss		
Exchange differences arising on translation of foreign operations	**75,068**	(101,339)
Fair value gain (loss) on available-for-sale investments	**3,581**	(2,166)
Securities revaluation reserve released upon disposal of available-for-sale investments	**-**	(564)
Other comprehensive income (expense) for the year	**78,649**	(104,069)
Total comprehensive income for the year	**926,733**	320,131
Total comprehensive income attributable to:		
Owners of the Company	**849,427**	307,407
Non-controlling interests	**77,306**	12,724
	926,733	320,131

Consolidated Statement of Financial Position

At 31st December, 2017

	NOTES	**2017**	2016
		HK$'000	*HK$'000*
Non-Current Assets			
Property, plant and equipment		**3,820,845**	2,874,620
Prepaid lease payments for land		**29,528**	27,898
Investment properties		**4,638,300**	3,890,050
Properties under development		**74,157**	56,369
Available-for-sale investments		**174,995**	171,414
		8,737,825	7,020,351
Current Assets			
Inventories		**1,240**	1,067
Prepaid lease payments for land		**862**	795
Trade and other receivables	*10*	**30,511**	22,599
Other deposits and prepayments		**10,549**	9,155
Pledged bank deposits		**-**	446,587
Bank balances and cash		**901,569**	419,614
		944,731	899,817
Current Liabilities			
Trade and other payables and accruals	*11*	**35,865**	35,596
Rental and other deposits received		**14,062**	25,524
Amount due to an intermediate holding company		**5,420**	5,420
Amount due to ultimate holding company		**2,502**	-
Tax liabilities		**11,573**	4,427
Bank loans		**536,969**	809,271
		606,391	880,238
Net Current Assets		**338,340**	19,579
Total Assets less Current Liabilities		**9,076,165**	7,039,930
Capital and Reserves			
Share capital		**1,084,887**	1,084,887
Reserves		**5,528,928**	4,710,198
Equity attributable to owners of the Company		**6,613,815**	5,795,085
Non-controlling interests		**1,115,928**	1,055,175
Total Equity		**7,729,743**	6,850,260
Non-Current Liabilities			
Bank loans		**1,155,604**	-
Rental deposits received		**32,160**	34,238
Deferred tax liabilities		**158,658**	155,432
		1,346,422	189,670
		9,076,165	7,039,930

Notes:

1. GENERAL

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 and by the Companies Ordinance.

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.

The financial information relating to the years ended 31st December, 2017 and 2016 included in this preliminary announcement of annual results 2017 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, 2016 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, 2017 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 HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Asset for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 - 2016 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 on the 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:

	2017	2016
	HK$'000	*HK$'000*
Income from operation of hotels	**513,264**	443,990
Income from property rental	**157,918**	139,614
Dividend income	**375**	7,061
	671,557	590,665

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. Hospitality services - Grand View Hotel
9. Property investment - 633 King's Road
10. Property investment - Shun Ho Tower
11. Property investment - Shops
12. Property investment - Hotel
13. 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 both years:

	Segment revenue		Segment profit	
	Year ended 31st December,		Year ended 31st December,	
	2017	2016	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000
Hospitality services	513,264	443,990	159,356	121,920
- Best Western Plus Hotel Kowloon	62,232	57,360	9,547	7,227
- Best Western Plus Hotel Hong Kong	81,600	73,989	35,215	27,564
- Magnificent International Hotel, Shanghai	22,857	21,455	6,741	4,667
- Best Western Hotel Causeway Bay	64,922	59,319	19,384	13,905
- Best Western Hotel Harbour View	97,048	87,199	41,028	32,494
- Best Western Grand Hotel	106,054	100,671	28,629	24,272
- Grand City Hotel	49,031	43,997	16,161	11,791
- Grand View Hotel	29,520	-	2,651	-
Property investment	157,918	139,614	825,551	354,630
- 633 King's Road	100,365	96,238	558,563	265,440
- Shun Ho Tower	23,329	22,633	182,564	63,222
- Shops	2,724	4,346	2,724	4,346
- Hotel	31,500	16,397	81,700	21,622
Securities investment	375	7,061	375	7,061
	671,557	590,665	985,282	483,611
Other income and expenses and gains and losses			(15,540)	32,373
Central administration costs and directors' emoluments			(53,634)	(44,237)
Finance costs			(19,994)	(10,176)
Profit before taxation			896,114	461,571

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:

	2017	2016
	HK$'000	HK$'000
Hong Kong	617,200	552,813
The PRC	22,857	21,455
The UK	31,500	16,397
	671,557	590,665

5. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interests on :		
Bank loans	**19,346**	10,062
Amount due to an intermediate holding company	**646**	101
Amount due to ultimate holding company	**2**	13
	19,994	10,176

6. PROFIT BEFORE TAXATION

	2017	2016
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**3,662**	3,334
Staff costs including directors' emoluments	**185,371**	169,718
Depreciation of property, plant and equipment	**95,210**	83,055
Loss on disposal of property, plant and equipment	**42**	141
Release of prepaid lease payments for land	**862**	795
Operating lease rental in respect of rented equipment	**1,577**	1,514
Gross rental income from investment properties	**(157,918)**	(139,614)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**2,266**	1,085
	(155,652)	(138,529)

7. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
The taxation charge comprises:		
Current tax		
Hong Kong	**38,755**	35,009
The PRC	**1,605**	998
The UK	**4,650**	466
	45,010	36,473
Overprovision in prior years		
Hong Kong	**(206)**	(247)
	44,804	36,226
Deferred tax		
Current year	**3,226**	1,145
	48,030	37,371

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. DIVIDEND

Dividend recognised as distribution during the year:

	2017	2016
	HK$'000	*HK$'000*
Final dividend in respect of the year ended 31st December, 2016 of HK4.14 cents (2016: Final dividend in respect of the year ended 31st December, 2015 of HK4.8 cents) per share was paid to shareholders	**21,181**	24,557
Interim dividend in respect of the six months ended 30th June, 2017 of HK1.86 cents (2016: Interim dividend in respect of the six months ended 30th June, 2016 of HK1.86 cents) per share payable to shareholders	**9,516**	9,516
	30,697	34,073

The distribution has been excluded 68,140,000 shares held by a subsidiary of the Group.

The final dividend in respect of the year ended 31st December, 2017 of the HK4.74 cents per share, amounting to HK$24,250,000 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to the owners of the Company of HK$793,515,000 (2016: HK$381,389,000) and on weighted average number of ordinary shares of 511,613,000 shares (2016: 511,613,000 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.

10. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**26,413**	19,917
Other receivables	**4,098**	2,682
	30,511	22,599

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:

	2017	2016
	HK$'000	*HK$'000*
Not yet due	**25,489**	18,974
Overdue:		
0-30 days	**865**	758
31-60 days	**57**	179
61-90 days	**2**	6
	26,413	19,917

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**4,163**	3,194
Other payables and accruals (Note)	**31,702**	32,402
	35,865	35,596

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:

	2017	2016
	HK$'000	*HK$'000*
0-30 days	**3,776**	2,291
31-60 days	**378**	64
61-90 days	**9**	839
	4,163	3,194

Note: As at 31st December, 2017, other payables and accruals include construction costs payable of HK$2,502,000 (2016: HK$644,000).

DIVIDEND

A total dividend including both interim dividend and final dividend is HK6.6 cents per share (2016: HK6 cents per share) will be payable to shareholders whose names appear on the register of members of the Company on 15th June, 2018. The Board recommends the payment of a final dividend of HK4.74 cents per share for the year ended 31st December, 2017 (2016: HK4.14 cents per share) and will be payable on 28th June, 2018 to shareholders whose names appear on the register of members of the Company on 15th June, 2018. With reference to the announcement of 2017 interim results of the Company dated 29th August, 2017, shareholders are reminded that an interim dividend of HK1.86 cents per share for the six months ended 30th June, 2017 is also payable on 28th June, 2018 to shareholders whose names appear on the register of members of the Company on 15th June, 2018. Therefore, shareholders whose names appear on the register of members of the Company on 15th June, 2018 will receive dividends for a total sum of HK6.6 cents per share (2016: HK6 cents per share), increased by 10%.

For 2017, the annual dividend to be received by shareholders was equivalent to 2% annual yield of the closing price of the Company's share immediately before the date of results announcement.

BOOK CLOSURE

To ascertain shareholders' eligibility to attend and vote at the Annual General Meeting to be held on Thursday, 24th May, 2018 ("AGM"), the register of members will be closed from Thursday, 17th May, 2018 to Thursday, 24th May, 2018, 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 Wednesday, 16th May, 2018.

Subject to the approval of the shareholders at the AGM for the proposed final dividend, the register of members of the Company will be closed from Tuesday, 12th June, 2018 to Friday, 15th June, 2018, both dates inclusive, during which period no transfer of shares of the Company will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Company's Share Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 11th June, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, the Group through its major subsidiaries continued with its operations of commercial properties investment and property leasing, hotel investments, leasing, development and operations.

The net profit after tax attributable to the owners of the Company before depreciation of land, property and equipment for the year ended 31st December, 2017 was HK$867,000,000 (2016: HK$441,000,000), increased by 97%.

	2016 *HK$'000*	**2017** ***HK$'000***	Change
Revaluation profit of investment properties	216,101	669,900	+210%
Profit from operation of hotels	114,442	148,376	+30%
Properties rental income	135,831	146,637	+8%
Income from securities investments	7,625	375	-95%
Other income and expenses and gains and losses	31,809	(15,540)	
	505,808	949,748	+88%
Administrative expenses	(44,237)	(53,634)	+21%
Income tax expense	(37,371)	(48,030)	+29%
Profit after taxation	424,200	848,084	+100%
Non-controlling interests	(42,811)	(54,569)	+27%
Profit after taxation and non-controlling interests	381,389	793,515	+108%
Add: Properties depreciation and release of prepaid lease payments for land attributable to owner of the Company	59,609	73,198	+23%
Net profit after tax attributable to owner of the Company before properties depreciation and release of prepaid lease payments for land	440,998	866,713	+97%

PERFORMANCE

Hotel Business

The Group owns 71.09% of Magnificent Hotel Investments Limited ("Magnificent Hotel") as its hotel investment subsidiary. The Group and Magnificent Hotel presently owns nine hotels, (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, (7) Grand View Hotel, (8) Magnificent International Hotel, Shanghai and (9) Royal Scot Hotel in London. The nine hotels have about 2,821 rooms and the Group is one of the largest hotel groups in Hong Kong.

The Best Western Plus Hotel Kowloon has completed its renovation and the adding of 40 hotel rooms and is awaiting license to be issued.

The net profit after tax attributed to owners of Magnificent Hotel before exchange adjustment, revaluation gain of investment properties and depreciation of land, property and equipment for the year ended 31st December, 2017 was HK$202 million (2016: HK$176 million), increased by 15%. The income from operation of hotels amounted to HK$484 million (2016: HK$444 million), increased by 9%. The average occupancy in the Group's Hong Kong hotels was 99% and the average room rate was HK$661.

The major reason for the above increase was due to increase in room rates.

During the year, the Group acquired Grand View Hotel (formerly known as Newton Inn) at 88 Chun Yeung Street, North Point, Hong Kong. The Property comprises 30 storeys and 317 guest rooms with food and beverage and swimming pool facilities and 3 retail shops. The hotel has commenced business on the 19th August, 2017 and is renamed as Grand View Hotel and is managed by Grand View Hotel Limited, a wholly subsidiary of the Magnificent Hotel. Since hotel opening, this hotel managed by Grand View Hotel Limited and has achieved almost daily 99% occupancies.

The average room occupancy and average room rate of Grand View Hotel are as below:-

2017	**Average room occupancy**	**Average room rate (HK$)**
October	98.01%	763.41
November	99.88%	730.71
December	99.89%	751.86

Since hotel's opening in autumn 2017, the revenue to year end was HK$30 million with costs at HK$16 million (EBITDA Margin (based on revenue): 44%) and operating profit before tax attributable to the Group was about HK$13 million.

Commercial Properties Rental Income

The properties rental income was derived from the hotel property in UK, office buildings of Shun Ho Tower, 633 King's Road and shops from Best Western Plus Hotel Kowloon, Best Western Plus Hotel Hong Kong and Best Western Grand Hotel amounted to HK$158 million (2016: HK$140 million).

The properties rental income was analysed as follows:

	2016 *HK$'000*	**2017** ***HK$'000***	Change	
Royal Scot Hotel	16,397	**31,500**	+92%	
633 King's Road	96,238	**100,365**	+4%	
Shun Ho Tower	22,633	**23,329**	+3%	(Note)
Shops	4,346	**2,724**	-37%	
Total	139,614	**157,918**	+13%	

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

During the year, the commercial building at 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. The increase of rental income from Royal Scot Hotel was due to income for 2016 represented rental income for 6 months while income for 2017 represented rental income for 12 months.

LIQUIDITY

- At 31st December, 2017, the overall debt of the Group including Magnificent Hotel and its subsidiaries was HK$1,700 million (2016: HK$815 million). The bank loan increased due to the acquisition of Grand View Hotel, North Point during the year. **The debt ratio was 10% (2016: 6%) in terms of overall debts against the fully revalued assets of the Group.** The gearing ratio of the Group (including Magnificent Hotel and its subsidiaries) was 22% (2016: 12%).

  The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar and Pound Sterling. Accordingly, the Group exposes 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, 2017, the Group's staffing level increased by 11% when compared with that of 31st December, 2016 due to the commencement of Grand View Hotel during the year. 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 will continue to improve modestly.

- The Company will continue its management and investment of 633 King's Road, Shun Ho Towers, Ice House Street and the income from the investment of Grand View Hotel.

- Overall the short term prospect of the Group's earning will benefit from the modest improvement of hotel industry and commercial rent. The management will endeavour to seek revenue growth from acquisition of income producing properties.

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.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this announcement as required under the Listing Rules.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the year ended 31st December, 2017, 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 three 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, 2017.

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, 2017 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, 2018

As at the date hereof, the Board comprises eight Directors, of which four are Executive Directors, namely Mr. William Cheng Kai Man, Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May and Jennie Wong Kwai Fong; 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. Lam Kwai Cheung.