SYMPHONY

SYMPHONY HOLDINGS LIMITED
新 灃 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

(Warrant Code: 01537)

ANNOUNCEMENT OF (1) FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017; (2) FINAL DIVIDEND AND (3) BOOK CLOSURE DATES, RECORD DATE AND PAYMENT DATE

FINANCIAL HIGHLIGHTS

Total revenue fell from HKD363.9 million to HKD348.9 million representing a 4.1% decrease.

Profit for the year attributable to the owners of the Company increased by 47.8% from HKD27.7 million to HKD41.0 million.

Final dividend of HKD0.005 per Share is recommended.

Revenue of the individual segments were as follows:–

- Retailing and sourcing – HKD169.6 million (2016: HKD131.1 million)
- Outlet malls – HKD33.8 million (2016: HKD29.7 million)
- Duty free – HKD14.8 million (2016: HKD7.6 million)
- Branding – HKD23.1 million (2016: HKD39.6 million)
- Financial services – HKD56.3 million (2016: HKD119.6 million)
- Property investment and holding – HKD51.3 million (2016: HKD36.3 million)

* *For identification only*

CHAIRMAN’ S STATEMENT

The changes of leadership in various countries in 2016 had brought greater instability to international communities and financial markets last year. Generally speaking, the business environment was challenging in 2017. However, the global economy has been steadily recovering and China’s economic growth was better than expected, in particular the growth rate in consumption area that can reflect quality of life such as sports, entertainment, dining and health care has been rising. Furthermore, with China’s policy support to the Group’s business, market’s leading e-commerce businesses are all returning to develop offline experience stores and building up “new retail” models, thus more opportunities and challenges will be brought to the retail industry in the future.

As a Hong Kong listed company with increasing proportion of its core businesses in the China market, the Group consolidated its strengths, refined its strategies constantly, proceeded with caution amid opportunities and challenges, and made progress in multiple areas in the past year.

REVIEW

The Group’s self-owned PONY brand is currently developing steadily across all regions and can be seen at different brand exhibitions around the world. The gradually enhanced brand awareness had enabled us to continue exploring new distributors round the world last year.

Benefiting from our operation team’s experience for swimming brands, our joint venture Arena in Shanghai delivered good sales performance last year, making a good start in the first year of its official operation. The Group will sum up its experience and continue to commit more resources to brand operation. In addition, the Group has been actively working to enrich its outlet’s brand portfolio and several Italian brands that we distribute have already made their presences in the Group’s outlet malls.

The e-commerce company that was set up early last year is currently focusing on operating the Group’s brands such as Arena, and is playing a crucial supporting role in the Group’s brand development business.

As for travel retail business, Shenyang Park Outlets had recorded a stable increase in sales in 2017 after persistent and unremitting efforts were made to strengthen management. At the same time, with the Shenyang Park Outlet reaching full occupancy, the Group commenced leasehold improvement for the outlet in the first quarter of last year to further increase leasable areas to boost revenue. Anyang CITS Park Outlets officially opened on 23 September 2017 and its brand tenant mix has been strengthened gradually. The Group succeeded in winning the bid for a piece of land in Jimei District of Xiamen in mid-February last year and has commenced the construction of a "Park Outlets" flagship. A new community mall model was formally introduced since the end of 2016 and both shopping malls in Chongqing and Tianjin run by the Group have currently made good progress in their development.

Since the commencement of the Group's duty-free business in Kinmen, Taiwan in 2014, the number of visitors took a sharp fall due to developments in cross-strait political relations, bringing operational pressure onto the project. The management team actively tried out different strategies and fine-tuned management last year so as to minimize the impact of this project on the entire travel retail segment.

With regards to financial services, the Group adopted a relatively prudent strategy last year given the market instability, as a result the revenue from its lending business decreased. However, we had, at the same time, strategically adjusted the allocation of resources in response to market trends, as well as opened up more asset management business with lower risks.

Moreover, the investment properties in the Mainland China and Hong Kong continued to generate stable return to the Group through rental income and appreciation.

It was delighted and encouraging to see that the Group managed 2017 with accurate assessment of the climate, made good use of its own advantages, adopt a proactive strategy and accomplish positive and optimistic development. The Group will continue to timely fine-tune and upgrade itself, aiming at improving the effectiveness and efficiency of its business in the coming year.

OUTLOOK

For brands, PONY will continue to expand its licence business to other potential regions and countries, and plans to collaborate with other international renowned brands to continuously raise brand awareness and value.

At the same time, the Group will strive to develop Arena's business in China and actively negotiate with Arena's parent company DESCENTE in Japan and its largest shareholder ITOCHU for more sports and outdoor brands, and will explore different cooperation models for brand development. The addition of more brands will, not only increase the brand business but also benefit the outlet malls and e-commerce businesses.

For e-commerce sector, the direction will also be to support the Group's own brands and travel retail businesses, we hope further to integrate online and offline sales networks for maximizing the synergistic effect on all business segments.

As for travel retail, the Group will continue to upgrade the overall image of Park Outlets; increase its sales by utilizing the Shenyang Park Outlets' recently added commercial space; actively improve the operation of the Anyang CITS Park Outlets; share with other outlet malls management resources and achieve synergistic effect. Simultaneously, the Group will step up its Xiamen Outlet mall project development schedule, aiming for the opening of the same in May 2019. Regarding community malls, the Group will continue to operate proactively to increase business turnover.

The Group will continue to refine its strategy for duty-free business based on future operating conditions.

As for the financial services sector, the Group will steadily strengthen its asset management business through actively negotiating with international and local partners to develop new asset management / fund related cooperation opportunity. Furthermore, the Group would adopt a more flexible asset investment strategy, and allocate the proceeds to develop branding and finance-related businesses, in order to enhance the return to shareholders in the long run.

In conclusion, the Group will focus on strengthening and developing its existing brand segment and actively explore, with multinational companies such as ITOCHU, more brand partnership possibilities in 2018 in order to to take full advantage of the branding effect and economies of scale and to boost the development of the travel retail and e-commerce businesses. Financial services will, as always, provide strong and effective support and assurance to the Group's tangible business development. We believe that the fine-tuned and enhanced operating structure and business model will have a positive impact on the following areas of the Group: such as revenue generation, efficiency enhancement and reaction to risk.

APPRECIATION

I would take this opportunity to extend my gratitude to my fellow directors, members of our staff and stakeholders for their continuous support and contributions to the Group. I hope the management and all our colleagues will continue to pay concerted efforts, support each other and contribute to the business and performance of the Group in 2018.

Cheng Tun Nei, *Chairman*
Hong Kong, 16 March 2018

OPERATION REVIEW

The Group's turnover for the year ended 31 December 2017 fell slightly from HKD363.9 million for the year ended 31 December 2016 to HKD348.9 million for the year ended 31 December 2017.

Profit for the year attributable to the owners of the Company increased by 47.8% from HKD27.7 million to HKD41.0 million due to valuation gain of investment properties and profit sharing in the results from joint ventures.

Cost of sales increased from HKD92.0 million to HKD119.8 million mainly due to increase in sales of retailing and sourcing segment. The gross margin was 65.7% for the year ended 31 December 2017 as compared to 74.7% for the previous year largely attributable to the decrease in the turnover of financial services business. Administrative expenses rose from HKD135.1 million to HKD195.4 million mostly as a result of an increase in amortisation of prepaid lease payments, exchange loss, legal and professional fee for acquisition and operating costs relating to the new community mall businesses in Chongqing and Tianjin. Finance costs increased from HKD18.4 million to HKD42.0 million as a result of increased bank loans relating to newly acquired land and investment properties. Fair value gain of investment properties moved from HKD20.4 million to HKD197.7 million as a result of the appreciation of investment properties of the Group. Share of results of joint ventures increased from HKD1.0 million to HKD19.4 million mainly due to improved operating results with full-year sharing in 2017.

Total assets of the Group rose from HKD3,395.2 million to HKD4,234.4 million as a result of the newly acquired land in Xiamen, the property in Chongqing and the fair valuation gain of properties of the Group. The total liabilities of the Group moved from HKD1,227.9 million to HKD1,637.1 million due to increase in bank loans relating to newly acquired land in Xiamen and the property in Chongqing.

MARKET INFORMATION

During the year, sales to the People's Republic of China, Hong Kong, Taiwan and other Asian countries comprised 98.8% (2016: 96.5%) of the total sales with the remaining 1.2% (2016: 3.5%) shared between United States of America and other countries.

Liquidity and capital resources

As at 31 December 2017, the Group had bank balances and cash of HKD137,326,000 (2016: HKD328,468,000). The Group was offered banking facilities amounting to HKD1,232,132,000 (2016: HKD719,491,000). As at 31 December 2017, the Group obtained bank borrowings in the amount of HKD1,156,927,000 (2016: HKD719,491,000). The Group has variable interest rate bank loans which carry interest ranging from 2.7% to 9.2% (2016: 2.0% to 3.0%) per annum. The weighted average effective interest rate of the Group's bank loans is 4.1% (2016: 2.7%). Debt to total assets ratio stood at 27.3% (2016: 21.2%), based on total bank borrowings over total assets. The shareholders' equity was enhanced by exchange difference arising from translation of foreign operations amounting to HKD160,187,000 mainly attributable to the appreciation of Renminbi for the year. The banking facilities are secured by corporate guarantees from the Company and certain of its subsidiaries, charge over certain deposits, certain prepaid lease payments, certain leasehold land and buildings in Hong Kong and investment properties of the Group.

Human resources

As at 31 December 2017, the total number of employees of the Group was 347. Employee costs (excluding directors emoluments) amounted to approximately HKD70,510,000 (2016: HKD63,177,000).

In addition to competitive remuneration packages, double pay and employee share options are offered to eligible staff of the Group based on their performance and individual merits.

Share option schemes

On 10 June 2011, Shareholders have approved and adopted a share option scheme (the "**Scheme**") for the purpose of providing eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole. All Directors, full-time employees and any other persons who, at the sole discretion of the Board of Directors, have contributed or will contribute to the Group are eligible to participate in the Scheme.

During the year, the Group granted 21,000,000 share options to certain eligible individuals under the share option scheme, subject to acceptance by them. The share option shall entitle them to subscribe for a total of 21,000,000 new shares of HKD0.10 each of the share capital of the Company, at an exercise price of HKD0.82.

Details of the movements of the share options granted under the Scheme during the year ended 31 December 2017 are as follows:

				Number of share options				
Name of participants	**Date of grant**	**Exercise period**	**Exercise price per share** *(HKD)*	**Outstanding as at 1 January 2017**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**Outstanding as at 31 December 2017**
Directors	18/9/2017	18/9/2017 – 17/9/2018	0.82	–	6,000,000	–	–	6,000,000
Employees	18/9/2017	18/3/2018 – 17/9/2018	0.82	–	15,000,000	–	–	15,000,000
				–	21,000,000	–	–	21,000,000
Weighted average exercise price *(HKD)*				N/A	0.82	N/A	N/A	0.82

The Group recognised an expense of approximately HKD1,102,000 (2016: HKD1,481,000) for the year ended 31 December 2017 in relation to the fair value of share options, at HKD0.068 per share options granted by the Company.

Events after the reporting period

On 2 February 2018, the Group announced that one of its subsidiaries, 瀋陽奧特萊斯房地產開發有限公司 (Shenyang Outlet Mall Property Development Company Limited*) ("**Lessee**") entered into a lease agreement with 天津濱海開元房地產開發有限公司 (Tianjin Binhai Kaiyuan Property Development Company Limited*) ("**Lessor**") an independent third party, for a lease term of twenty years commencing from 1 January 2018 to 31 December 2037, with a 6 month rent-free period starting from 1 January to 30 June 2018 for a commercial property located at the Tianjn Development Zone. Tianjin, the PRC. The aggregate rental payment to be made to the Lessor for the twenty years term of the lease agreement amounted to RMB346,694,000. The Lessee was further required to pay an additional amount of RMB17,050,000 being the cost of fixtures, leasehold improvement and newly-installed facilities of the property. The Lessor was entitled to receive an additional rent of 2% on any excess amount above the commercial building yearly turnover of RMB300,000,000. Further details are set out in the announcement of the Company dated 2 February 2018.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	**2017** **HKD'000**	2016 HKD'000
Revenue	4	**348,919**	363,856
Cost of sales		**(119,822)**	(91,998)
Gross profit		**229,097**	271,858
Other income and gains	7(a)	**16,852**	11,382
Distribution and selling expenses		**(87,056)**	(100,840)
Administrative expenses		**(195,393)**	(135,141)
Finance costs	5	**(41,965)**	(18,429)
Other expenses	7(b)	**(21,905)**	(19,974)
Increase in fair value of investment properties		**197,663**	20,370
Share of results of joint ventures		**19,407**	964
Profit before income tax expenses		**116,700**	30,190
Income tax expenses	6	**(58,951)**	(16,145)
Profit for the year	7(c)	**57,749**	14,045
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss:			
Surplus arising on revaluation of properties		**61,819**	29,222
Deferred tax liabilities arising on revaluation of properties		**(12,316)**	–
		49,503	29,222
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of joint ventures		**5,010**	(2,349)
Exchange differences arising on translation of foreign operations		**160,187**	(94,041)
		165,197	(96,390)

	NOTES	2017 HKD'000	2016 HKD'000
Other comprehensive income for the year, net of tax		**214,700**	(67,168)
Total comprehensive income for the year		**272,449**	(53,123)
Profit/(loss) for the year attributable to:			
Owners of the Company		**41,018**	27,746
Non-controlling interests		**16,731**	(13,701)
		57,749	14,045
Total comprehensive income attributable to:			
Owners of the Company		**247,835**	(21,377)
Non-controlling interests		**24,614**	(31,746)
		272,449	(53,123)
Earnings per share:	*9*		
Basic *(HK cents)*		**1.41**	1.03
Diluted *(HK cents)*		**1.41**	1.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	NOTES	2017 HKD'000	2016 HKD'000
Non-current assets			
Property, plant and equipment		**659,912**	596,754
Investment properties		**1,365,656**	1,155,268
Prepaid lease payments		**542,292**	234,213
Intangible assets		**146,417**	146,417
Interests in joint ventures		**167,058**	156,254
Interest in an associate		**–**	–
Loan to an associate		**5,996**	5,587
Goodwill		**33,796**	35,590
Deferred tax assets		**10,349**	18,084
Club debenture		**1,876**	1,876
Restricted bank deposits		**23,597**	3,337
Statutory deposits for financial services business		**200**	200
		2,957,149	2,353,580
Current assets			
Inventories		**61,122**	20,874
Trade and other receivables	*10*	**146,694**	142,508
Amounts due from joint ventures		**–**	53,069
Amount due from an associate		**27,912**	–
Advances to customers in margin financing	*11*	**110,858**	119,656
Loans receivable	*12*	**237,132**	333,810
Loan to non-controlling interests		**–**	1,668
Prepaid lease payments		**14,171**	6,617
Trading securities		**9,118**	10,714
Restricted bank deposit		**1,632**	1,533
Bank balances and cash – held on behalf of customers		**24,008**	22,679
Bank balances and cash		**137,326**	328,468
		769,973	1,041,596
Assets of disposal group classified as held for sale	*14*	**507,319**	–
		1,277,292	1,041,596

	Note	2017	2016
		HKD'000	*HKD'000*
Current liabilities			
Trade and other payables	*13*	**174,361**	258,836
Amounts due to joint ventures		**4,825**	–
Bank borrowings		**732,063**	173,082
Tax payable		**14,844**	8,729
		926,093	440,647
Liabilities of disposal group classified as held for sale	*14*	**132,302**	–
		1,058,395	440,647
Net current assets		**218,897**	600,949
Total assets less current liabilities		**3,176,046**	2,954,529
Non-current liabilities			
Bank borrowings		**424,864**	546,409
Loan from non-controlling interests		**600**	153,254
Deferred tax liabilities		**153,219**	87,556
		578,683	787,219
Net Assets		**2,597,363**	2,167,310
Equity			
Share capital		**295,581**	270,575
Reserves		**2,248,286**	1,907,242
Equity attributable to owners of the Company		**2,543,867**	2,177,817
Non-controlling interests		**53,496**	(10,507)
Total Equity		**2,597,363**	2,167,310

Notes:

1. GENERAL

Symphony Holdings Limited (the "Company") is an exempted company with limited liability incorporated in Bermuda. Its shares are listed on the Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The principal activities of the Group, comprising the Company and its subsidiaries, are retailing and provision of sourcing services for branded apparel, swimwear, accessories and baby products; development and management of "PONY" brand; property investment and holding; management and operation of outlet malls; provision of financial services (including securities brokerage, margin financing, underwriting and placing of shares, financial consultancy and money lending); and operation of duty-free shops.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2017

The Group has adopted the following amendments and interpretations of standards, which are relevant to the Group's financial statements for the first time adoption.

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

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the notes to the cash flow statement.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured at fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the latter treatment is consistent with the manner in which the Group has previously dealt with disclosures relating to its interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards[1]
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
Amendments to HKAS 40	Transfer of Investment Property[1]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]
HKFRS 17	Insurance contracts[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] *Effective for annual periods beginning on or after 1 January 2018*

[2] *Effective for annual periods beginning on or after 1 January 2019*

[3] *Effective for annual periods beginning on or after 1 January 2021*

[4] *The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.*

The Group has not applied any new amendments that is not yet effective for the current accounting period.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

4. SEGMENT INFORMATION

Information reported to the chief operating decision-maker, being the directors of the Company, for the purpose of resources allocation and performance assessment focuses specifically on the assessment of operating performance in each operating unit, which is the basis upon which the Group is organised. Each operating unit is distinguished based on types of goods or services delivered or provided. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group. Financial information on segment results and segment assets are regularly provided to the chief operating decision maker while no information of segment liabilities is provided.

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

– Retailing and sourcing – retailing and provision of sourcing services for branded apparel, swimwear and accessories;

– Branding – development and management of "PONY" brand;

– Property investment and holding;

– Outlet malls;

– Financial services; and

– Duty free.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 December 2017

	Retailing and sourcing	Branding	Property investment and holding	Outlet malls (Note)	Financial services	Duty free	Consolidated
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
REVENUE							
External sales	**169,601**	**23,120**	**51,349**	**33,775**	**56,265**	**14,809**	**348,919**
Inter-segment sales	**1,321**	**–**	**3,284**	**48**	**–**	**–**	**4,653**
	170,922	**23,120**	**54,633**	**33,823**	**56,265**	**14,809**	**353,572**
Segment profit/(loss)	**2,425**	**5,558**	**153,106**	**(20,075)**	**17,746**	**(10,756)**	**148,004**
Unallocated income							
– Interest income							**3,550**
– Gain on disposal of subsidiaries							**1,204**
– Management fee income							**247**
Central administrative costs							**(55,712)**
Share of results of joint ventures							**19,407**
Profit before income tax expenses							**116,700**

Note:

The revenue from outlet malls segment is analysed as follows:

Gross revenue from concessionaire sales	300,606
Commission income from concessionaire sales	33,775

For the year ended 31 December 2016

	Retailing and sourcing	Branding	Property investment and holding	Outlet malls *(Note)*	Financial services	Duty free	Consolidated
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
REVENUE							
External sales	131,114	39,561	36,245	29,719	119,592	7,625	363,856
Inter-segment sales	–	–	2,912	–	–	–	2,912
	131,114	39,561	39,157	29,719	119,592	7,625	366,768
Segment profit/(loss)	2,554	8,969	35,138	(37,021)	51,396	(11,507)	49,529
Unallocated income							
– Interest income							3,814
– Gain on disposal of subsidiaries							38
– Management fee income							498
Central administrative costs							(24,653)
Share of results of joint ventures							964
Profit before income tax expenses							30,190

Note:

The revenue from outlet malls segment is analysed as follows:

Gross revenue from concessionaire sales	252,446
Commission income from concessionaire sales	29,719

Segment profit/(loss) represents the profit earned or the loss incurred by each segment without allocation of interest income, gain on disposal of subsidiaries, management fee income, central administrative costs, and share of results of joint ventures. Such segment result is reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment.

(b) Segment assets

The following is an analysis of the Group's assets by reportable segment:

Segment assets

	2017	2016
	HKD'000	*HKD'000*
Retailing and sourcing	**95,905**	47,335
Branding	**148,582**	151,002
Property investment and holding	**1,673,694**	1,480,837
Outlet malls	**996,105**	583,560
Financial services	**425,091**	547,123
Duty free	**11,999**	15,443
Total segment assets	**3,351,376**	2,825,300
Unallocated	**883,065**	569,876
Consolidated assets	**4,234,441**	3,395,176

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than interests in joint ventures, interest in an associate, loan to an associate, deferred tax assets, club debenture, amounts due from joint ventures, amount due from an associate, loan to non-controlling interests, restricted bank deposits, bank balances and cash and assets of disposal group classified as held for sale.

(c) Other segment information

For the year ended 31 December 2017

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Amounts included in the measure of segment profit/(loss) or segment assets:							
Capital expenditure *(Note)*	**4,611**	**122**	**382**	**4,037**	**24**	**49**	**9,225**
Depreciation of property, plant and equipment	**3,515**	**380**	**9,012**	**16,768**	**487**	**3,030**	**33,192**
Amortisation of prepaid lease payments	**–**	**–**	**–**	**13,002**	**–**	**–**	**13,002**
Increase in fair value of investment properties	**–**	**–**	**197,663**	**–**	**–**	**–**	**197,663**
Provision of allowance for bad and doubtful debts	**–**	**–**	**3,897**	**–**	**8,000**	**–**	**11,897**
(Reversal)/provision of allowance for inventories, net	**(13,561)**	**137**	**–**	**–**	**–**	**(184)**	**(13,608)**
Reversal of provision of redundancy costs	**2,000**	**–**	**–**	**–**	**–**	**–**	**2,000**
Interest income	**–**	**–**	**–**	**–**	**37,330**	**–**	**37,330**
Interest expense	**–**	**–**	**41,965**	**–**	**–**	**–**	**41,965**

For the year ended 31 December 2016

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Amounts included in the measure of segment profit/(loss) or segment assets:							
Capital expenditure *(Note)*	2,628	8	619	7,723	12	222	11,212
Depreciation of property, plant and equipment	3,508	378	8,896	17,978	528	3,491	34,779
Amortisation of prepaid lease payments	–	–	–	6,958	–	–	6,958
Increase in fair value of investment properties	–	–	20,370	–	–	–	20,370
Provision of allowance for bad and doubtful debts	–	3,874	–	–	8,000	–	11,874
Reversal of allowance for inventories, net	1,517	1,408	–	–	–	383	3,308
Interest income	–	–	–	–	89,924	–	89,924
Interest expense	–	–	18,429	–	–	–	18,429

Note: Capital expenditure includes additions to property, plant and equipment and interest expenses of bank borrowing being capitalised to construction in progress of outlet mall in Xiamen, the PRC.

(d) Geographical information

The Group's revenue from external customers by geographical location of the delivery destinations and information about its non-current assets by geographical location of the assets is detailed below:

	Revenue from external customers		Non-current assets located *(Note (ii))*	
	2017	2016	**2017**	2016
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*
The People's Republic of China	**247,576**	190,118	**2,023,747**	1,512,315
Taiwan	**14,367**	7,625	**2,563**	5,146
Hong Kong (Place of domicile)	**63,856**	126,553	**577,539**	506,181
United States of America	**2,886**	7,029	**–**	–
Other Asia countries *(Note (i))*	**18,832**	26,781	**–**	–
Others *(Note (i))*	**1,402**	5,750	**146,300**	146,676
	348,919	363,856	**2,750,149**	2,170,318

Notes:

(i) The geographical information for the revenue attributed to each country is not available as the cost to capture such information would be excessive.

(ii) Non-current assets exclude interests in joint ventures, interest in an associate, loan to an associate, deferred tax assets and restricted bank deposits.

(e) Information about major customers

Revenue from one customer of the Group's retailing and sourcing segment amounted to approximately HKD40,305,000 (2016: Nil), which represent 10% or more of the Group's revenue.

5. FINANCE COSTS

	2017	2016
	HKD'000	*HKD'000*
Interest expenses on bank borrowings	**41,965**	18,429

During the year ended 31 December 2017, interest on bank borrowing amounted to HKD44,652,000 (2016: HKD18,429,000), of which a total amount of HKD2,687,000 (2016: HKD nil) of interest expenses was capitalised into construction in progress classified as property, plant and equipment.

6. INCOME TAX EXPENSES

The amount of income tax expenses in the consolidated statement of comprehensive income represents:

	2017	2016
	HKD'000	*HKD'000*
Current tax		
Hong Kong		
– Profits tax		
– current year	**(4,123)**	(6,084)
– over provision in prior years	**–**	49
PRC and other jurisdictions		
– PRC enterprise income tax		
– current year	**(8,100)**	(2,852)
– under provision in prior years	**–**	(47)
– Other		
– current year	**–**	(1,015)
	(12,223)	(9,949)
Deferred tax		
– current year	**(46,728)**	(6,196)
Income tax expenses	**(58,951)**	(16,145)

Hong Kong Tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both years.

PRC Tax

All group companies operating in the PRC are subject to the applicable tax rate of 25% during the years ended 31 December 2017 and 2016, except for an acquired subsidiary incorporated in Hong Kong and engaged in property investment in the PRC, which is subject to the applicable tax rate of 10% on its gross rental income earned in the PRC, based on the existing legislation, interpretation and practices in respect thereof.

Up to the date of approval for issuance of these consolidated financial statements, the above acquired subsidiary engaged in property investment in the PRC has not filed the tax returns for PRC Enterprise Income Tax in respect of its income derived from the PRC. The PRC tax authority has the right to levy penalty for late filing of tax returns. The amount of such potential penalty cannot be reliably estimated as the range of which is wide, and therefore no provision was made in these consolidated financial statements. However, for all new tenancy agreements signed between the Group and tenants since early 2016, a new term has been added such that the tenants are required to pay PRC Enterprise Income Tax based on 10% of its gross rental income earned in the PRC on behalf of the Group, based on the existing legislation, interpretation and practices in respect thereof. Based on the experience of the Group's management and the above measures adopted, the amount of such penalty, if any, will not be material to the Group's consolidated financial statements. In addition, pursuant to the agreement in respect of acquisition of that subsidiary, the vendor and its guarantor have undertaken to indemnify the Group for any tax liability arising from the above late filing of tax returns prior to the completion date of the acquisition.

Others

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Income tax expenses for the year can be reconciled to the profit before income tax expenses per the consolidated statement of comprehensive income as follows:

	2017	2016
	HKD'000	*HKD'000*
Profit before income tax expenses	**116,700**	30,190
Tax expense calculated at Hong Kong Profits Tax rate of 16.5% (2016: 16.5%)	**(19,256)**	(4,981)
Tax effect of expenses not deductible for tax purposes	**(14,741)**	(3,772)
Tax effect of revenue not taxable for tax purposes	**10,913**	7,868
Tax effect of share of results of joint ventures	**3,202**	–
Tax effect of tax losses not recognised	**(35,030)**	(15,432)
Tax effect of deductible temporary difference not recognised	**2,903**	(29)
Tax effect of utilisation of tax losses previously not recognised	**3,565**	124
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(10,453)**	75
(Under)/over provision in respect of prior years	**(54)**	2
Income tax expenses	**(58,951)**	(16,145)

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's properties has been charged or credited directly to other comprehensive income.

7. PROFIT FOR THE YEAR

(a) Other income and gains

	2017	2016
	HKD'000	*HKD'000*
Gain on disposal of subsidiaries	**1,204**	38
Bad debts recovery	**–**	30
Dividend income from trading securities	**4,371**	29
Interest income from bank deposits	**380**	1,839
Interest income from joint ventures	**2,954**	1,975
Interest income received from an associate	**216**	–
Government grant	**901**	1,801
Reversal of redundancy costs	**2,000**	–
Others	**4,826**	5,670
	16,852	11,382

(b) Other expenses

	2017	2016
	HKD'000	*HKD'000*
Bad debts written off	**–**	3,362
Loss on disposal of property, plant and equipment, net	**945**	10
Write off of property, plant and equipment	**–**	8
Provision of allowance for bad and doubtful debts, net		
– Trade and other receivables and loans receivable	**11,897**	11,874
Net loss on trading securities	**3,325**	822
Fair value loss on trading securities	**3,640**	1,630
Others	**2,098**	2,268
	21,905	19,974

(c) Profit for the year has been arrived at:

	2017	2016
	HKD'000	*HKD'000*
After charging:		
Directors' emoluments	**6,810**	5,425
Other employee costs:		
– Salaries	**58,045**	53,462
– Welfare and other expenses	**4,444**	2,834
– Retirement benefits schemes contributions, excluding Directors	**8,021**	6,881
	77,320	68,602
Auditor's remuneration	**1,950**	1,860
Amortisation of prepaid lease payments	**13,002**	6,958
Cost of inventories recognised as expense	**119,822**	91,998
Depreciation of property, plant and equipment	**33,192**	34,779
Exchange losses, net	**8,199**	2,061
Minimum lease payments under non-cancellable lease	**19,087**	12,371
Write off of property, plant and equipment	**–**	8
Loss on disposal of property, plant and equipment, net	**945**	10
After crediting:		
Reversal of allowance for inventories, net *(Note)*	**13,608**	3,308
Gross rental income from investment properties	**51,349**	36,245
Less: direct operating expenses incurred by		
– investment properties that generate rental income	**(9,930)**	(4,771)
– investment properties that did not generate rental income	**(49)**	(124)
	41,370	31,350

Note: The reversal of allowance for inventories arising from an increase in net realisable value was caused by the increase in estimated scrap value.

8. DIVIDENDS

	2017	2016
	HKD'000	*HKD'000*
2016 final dividend of HKD0.0038 per ordinary share declared and paid during the year (2016: 2015 final dividend of HKD0.02 per ordinary share)	**11,232**	53,974

No interim dividend was declared or paid during the years ended 31 December 2017 and 2016. For the year ended 31 December 2017, the Board recommends the payment of final dividend of HKD0.005 per ordinary share to the shareholders of the Company (2016: HKD0.0038 per ordinary share), amounting to HKD14,782,100 (2016: HKD11,232,000) in aggregate.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2017	2016
	HKD'000	*HKD'000*
Profit for the year attributable to owners of the Company	**41,018**	27,746

	2017	2016
	Number of shares	Number of shares
	('000)	*('000)*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,910,571**	2,700,487
Effect of dilutive potential ordinary shares *(Note)*:		
– Options	**364**	1,126
– Warrants	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,910,935**	2,701,613
Earnings per share		
Basic earnings per share *(HK cents)*	**1.41**	1.03
Diluted earnings per share *(HK cents)*	**1.41**	1.03

Note: The Company's warrants as at 31 December 2017 and 2016 did not give rise to any dilution effect on the earnings per share because the exercise price of the Company's outstanding warrants issued during the year ended 31 December 2017 and 2016, respectively, was higher than the average market price of the Company's shares for the year.

10. TRADE AND OTHER RECEIVABLES

	2017	2016
	HKD'000	*HKD'000*
Trade receivables		
– other than financial services segment	**52,645**	48,971
– financial services segment	**6,514**	20,483
Total trade receivables	**59,159**	69,454
Less: allowance for doubtful debts		
– other than financial services segment	**(23,664)**	(23,664)
	35,495	45,790
Other receivables, deposits and prepayments	**115,276**	100,795
Less: allowance for doubtful debts		
– other receivables	**(4,077)**	(4,077)
	111,199	96,718
Total trade and other receivables	**146,694**	142,508

Trade receivables from segments other than financial services segment

The Group allows an average credit period ranging from 60 to 90 days to its trade customers. Allowance for doubtful debts of HKD23,664,000 at 31 December 2017 (2016: HKD23,664,000) was solely in respect of trade receivables other than financial services segment. Before accepting a new customer, the Group assesses the potential customer's credit quality and grants a credit limit to the customer. Credit limits and score attributed to customers are reviewed twice a year. Approximately 61% (2016: 86%) of the trade receivables that are neither past due nor impaired have no default payment history. The Group does not hold any collateral over these balances.

Trade receivables from financial services segment

	2017	2016
	HKD'000	*HKD'000*
Trade receivables arising from ordinary course of business of dealing in securities:		
– Cash clients	**428**	158
– Clearing house	**1,371**	–
– Others	**76**	–
Trade receivables arising from ordinary course of business of provision of:		
– Money lending	**4,639**	20,313
– Insurance brokerage	**–**	12
	6,514	20,483

Save for the credit period allowed by the Group, the trade receivables from dealing in securities shall be due on the settlement date of the respective securities contract transaction. In view of the fact that such receivables relate to a number of diversified customers, there is no significant concentration of credit risk. The trade receivables from money lending are due on the agreed settlement dates. All of the Group's trade receivables from money lending were not impaired at the end of the reporting period and are expected to be settled within one year.

The following is an aged analysis of the Group's trade receivables, net of allowance for doubtful debts, presented based on the invoice date or transaction date (where applicable) at the end of the reporting period:

	2017	2016
	HKD'000	*HKD'000*
0 to 30 days	**13,335**	37,251
31 to 60 days	**5,149**	2,603
61 to 90 days	**2,101**	1,209
Over 90 days	**14,910**	4,727
	35,495	45,790

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of trade receivables which are past due but not impaired

	2017	2016
	HKD'000	*HKD'000*
Over 90 days	**14,910**	4,727

Included in the above, a total balance of trade receivables that were past due was receivable from sale of Speedo products amounting to HKD8.2 million as at 31 December 2017 (2016: Nil). Based on the repayment schedule entered between the Group and these customers, the balance is expected to be fully settled before 31 December 2018.

Movement in the allowance for doubtful debts – trade receivables

	2017	2016
	HKD'000	*HKD'000*
Balance at beginning of the year	**23,664**	19,790
Provision for impairment loss	**–**	3,874
Balance at end of the year	**23,664**	23,664

The above provision for impairment of trade receivables represents a provision for an impaired trade receivable with a carrying amount before provision of approximately HKD23,664,000 (2016: HKD23,664,000). This individually impaired receivable relates to a customer that is slow in settlement and management assessed that only a portion or none of the balance is expected to be recovered.

Movement in the allowance for doubtful debts – other receivables

	2017	2016
	HKD'000	*HKD'000*
Balance at beginning and end of the year	**4,077**	4,077

The above provision for impairment of other receivables represents a provision for an impaired other receivable with a carrying amount before provision of approximately HKD4,077,000 (2016: HKD4,077,000). This individually impaired receivable relates to a debtor that is slow in settlement and management assessed that only a portion or none of the balance is expected to be recovered.

11. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2017	2016
	HKD'000	*HKD'000*
Directors and their associates	**3,677**	133
Other margin clients	**107,181**	119,523
Balance at end of the year	**110,858**	119,656

Advances to customers in margin financing are repayable on demand and carry interest ranging from Prime Rate to Prime Rate plus 3% per annum in average. Margin clients are required to pledge listed securities collateral to the Group in order to obtain credit facilities for listed securities trading. The Group is allowed to dispose of the collateral in settlement of the customers' obligations to maintain the agreed level of margin and any other liability of the customers due to the Group.

No aging analysis is disclosed for advances to customers in margin financing as, in the opinion of the directors of the Company, an aging analysis is not meaningful in view of the business nature of margin financing.

12. LOANS RECEIVABLE

	2017	2016
	HKD'000	*HKD'000*
Secured	**253,132**	341,810
Less: allowance for doubtful debts	**(16,000)**	(8,000)
	237,132	333,810

Movement in the allowance for doubtful debts – loans receivable:

	2017	2016
	HKD'000	*HKD'000*
Balance at beginning of the year	**8,000**	–
Impairment loss recognised	**8,000**	8,000
Balance at end of the year	**16,000**	8,000

The loans receivable are secured by charges over the borrowers' properties and/or financial assets (mainly Hong Kong listed trading securities), interest bearing at 5%-18% per annum (2016: 5%-24% per annum) and repayable within one year from the date of the advances.

Customers giving rise to loans receivable are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. As at 31 December 2017, the provision for allowance of doubtful debt amounting to HK$16,000,000 (2016: HK$8,000,000) is related to one customer of which the expected realisable value of the collaterals is not sufficient to cover the respective outstanding balance.

The directors of the Company consider the fair values of loans receivable, which are expected to be recovered within one year are not materially different from their carrying amounts because the balances have short maturity periods at inception.

13. TRADE AND OTHER PAYABLES

	2017	2016
	HKD'000	*HKD'000*
Trade payables		
– Other than financial services segment	**54,476**	36,422
– Financial services segment	**22,884**	32,218
Other payables, temporary receipts, accruals and receipts in advance	**97,001**	190,196
Total trade and other payables	**174,361**	258,836

As at 31 December 2016, included in the Group's other payables are PRC government grant of HKD116 million which has been reclassified as liabilities of disposal group classified as held for sale as at 31 December 2017.

The following is an aged analysis of trade payables from other than financial services segment presented based on the invoice date or transaction date (where applicable) at the end of the reporting period:

	2017	2016
	HKD'000	*HKD'000*
0 to 30 days	**33,402**	17,490
31 to 60 days	**12,582**	15,088
61 to 90 days	**2,413**	2,358
Over 90 days	**6,079**	1,486
	54,476	36,422

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Trade payables from financial services segment

	2017	2016
	HKD'000	*HKD'000*
Trade payables arising from ordinary course of business of dealing in securities *(Note)*:		
– Cash clients	**17,912**	11,560
– Margin clients	**4,972**	16,491
– Clearing house	**–**	4,155
	22,884	32,206
Trade payables arising from ordinary course of business of provision of:		
– Insurance brokerage	**–**	12
	22,884	32,218

Note: The balances represent trade payables due to clients and other institutions in respect of trust and segregated bank balances received and held on behalf of clients and other institutions arise from the course of conducting regulated activities.

The settlement terms of trade payables for cash and margin clients dealing in securities are two days after their trade date. No aging analysis is disclosed for trade payables due to margin clients, as in the opinion of the directors, an aging analysis is not meaningful in view of the businesses nature of securities dealing and margin financing.

14. ASSETS/LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In December 2017, the board of directors resolved to dispose two subsidiaries whose principal assets were investment properties under construction. As of the end of reporting period, the board of directors has identified a potential buyer and anticipates that the sales of subsidiaries will complete within one year. The following assets and liabilities relating to this disposal group under the outlet mall segment of the Group have been classified as held for sale in the consolidated statement of financial position and does not constitute a discontinued operation as it does not represent a major line of business or geographical area of operation.

	HKD'000
Assets	
Interests in joint venture	17,506
Investment properties	482,179
Amount due from joint ventures	60
Other receivables	3,597
Bank balances and cash	3,977
	507,319
Liabilities	
Other payables	119,654
Tax payables	903
Deferred tax liabilities	11,745
	132,302

No impairment loss was recognised on reclassification of the above subsidiaries as held for sale as at 31 December 2017 as the directors of the Company expect that the fair value (estimated based on the expected proceeds from the disposal of these subsidiaries) less costs to sell is higher than the carrying amount.

PROPOSED FINAL DIVIDEND

No interim dividend was declared or paid during the years ended 31 December 2017 and 2016. For the year ended 31 December 2017, the Board recommends the payment of final dividend of HKD0.005 per ordinary share to the shareholders of the Company (2016: HKD0.0038 per ordinary share).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 5 June 2018 to Friday, 8 June 2018 (both days inclusive), during which period no transfer of shares will be effected.

Warrant holder(s) who want(s) to be entitled to attend and vote at the Annual General Meeting should exercise their outstanding Warrants no later than 4:30 p.m. by Wednesday, 30 May 2018.

In order to be qualified to attend and vote at the Annual General Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong ("Share Registrar") for registration no later than 4:30 p.m. on Monday, 4 June 2018.

The proposed final dividend is expected to be distributed on Wednesday, 11 July 2018 to Shareholders whose names appear on the Register of Members of the Company as at the close of business on Wednesday, 20 June 2018. The payment of final dividend is subject to the approval of Shareholders at Annual General Meeting to be held on Friday, 8 June 2018.

In order to qualify for the final dividend entitlements, all transfer of shares accompanied by the relevant share certificates must be lodged with the Share Registrar for registration no later than 4:30 p.m. on Thursday, 14 June 2018. The register of members will be closed from Friday, 15 June 2018 to Wednesday, 20 June 2018 (both days inclusive) during which no transfer of shares will be effected. To ensure entitlement to the final dividend, Warrant holder(s) should exercise their outstanding Warrants no later than 4:30 p.m. on Monday, 11 June 2018.

CORPORATE GOVERNANCE

The Company has complied with the CG Code throughout the year ended 31 December 2017, except for the deviation from code provisions A.2.1 and A.4.1 of CG Code.

The Board continues to monitor and review the Company's corporate governance practices and makes necessary changes at appropriate times.

Under the code provision A.2.1, the roles of the Chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheng Tun Nei currently serves as both the Chairman and Chief Executive Officer of the Company.

In view of the evolving business environment in which our Group operates, the Board is of the view that currently vesting the roles of both the chairman and chief executive on Mr. Cheng Tun Nei will provide the Group with strong and consistent leadership while permitting more effective and timely business planning and decision-making process.

Under code provision A.4.1, non-executive Directors should be appointed for a specific term and are subject to re-election.

All non-executive Directors of the Company were not appointed for specific term but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, each of them confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2017.

Audit Committee

The audit committee of the Company ("**Audit Committee**") comprises 3 independent non-executive Directors of the Company. The Audit Committee has reviewed with the management of the Company and the external auditor, Messers. BDO Limited, the accounting principles and practices adopted by the Group and also discussed auditing and financial reporting matters relating to the audited consolidated financial statements for the year ended 31 December 2017 of the Group.

Remuneration Committee

Comprises of 3 independent non-executive Directors, the remuneration committee of the Company ("**Remuneration Committee**") advises the Board on the emolument policies of Directors and senior management.

Nomination Committee

The nomination committee of the Company ("**Nomination Committee**") is made up of 3 Directors, out of which 2 are independent non-executives. It offers guidance to the Board on the appointment or re-appointment of Directors, succession planning, in particular, that of the Chairman and the Chief Executive.

Terms of reference

The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, explaining their roles and the authorities delegated to them by the Board, are available on request and included in the website of the Company.

Board of Directors

At the annual general meeting of the Company held on Friday, 9 June 2017, Messrs. Cheng Tun Nei, Chan Kar Lee Gary and Chow Yu Chun Alexander retired and being eligible, the three of them offered themselves for re-election and were re-elected as Directors.

As from 9 June 2017 and up to the date of this announcement, the Board comprises:

Executive Director	**Independent Non-executive Director**
Mr. Cheng Tun Nei *(Chairman & Chief Executive Officer)*	Mr. Shum Pui Kay
Mr. Chan Kar Lee Gary	Mr. Wah Wang Kei Jackie
Mr. Hong Kim Cheong	Mr. Chow Yu Chun Alexander

GENERAL INFORMATION

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. BDO Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. BDO Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Boardroom on the 10th Floor of Island Place Tower, 510 King's Road, North Point, Hong Kong on Friday, 8 June 2018 at 10:00 a.m. and the notice of Annual General Meeting will be published and dispatched to Shareholders in a manner as required by the Listing Rules of the Stock Exchange of Hong Kong Limited.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATIONS OF DETAILED RESULTS

The Annual Report containing the audited consolidated financial statements and notes to the financial statements for the year ended 31 December 2017 ("2017 Annual Report") will be published on both the websites of the Company (www.symphonyholdings.com) and the Exchange (www.hkex.com.hk). Shareholders shall receive copies of the 2017 Annual Report before the end of April 2018.

By order of the Board
Symphony Holdings Limited
Cheng Tun Nei
Chairman

Hong Kong, 16 March 2018

As at the date of this announcement, the Directors are:

Executive Directors:	Mr. Cheng Tun Nei *(Chairman & Chief Executive Officer)* Mr. Chan Kar Lee Gary Mr. Hong Kim Cheong
Independent non-executive Directors:	Mr. Shum Pui Kay Mr. Wah Wang Kei Jackie Mr. Chow Yu Chun Alexander

GLOSSARY

"Annual General Meeting"	the annual general meeting of the Company to be held on Friday 8th June 2018 at 10:00 a.m. or any adjournment Thereof
"Board"	the board of Directors of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Company"	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability, the shares and warrants of which are listed on the Main Board of the Stock Exchange (Stock code: 1223 and Warrant code: 1537)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the issued share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Warrant(s)"	the warrant(s) issued by the Company which carries(carry) the right to subscribe for Share(s) at the subscription price of HK$1.00 per Share, subject to adjustments