TAI PING CARPETS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 146)

TAI PING

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

The Board of Directors (the "Board") of Tai Ping Carpets International Limited (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 (the "period"), together with the comparative figures for the previous corresponding period. The interim financial statements of the Group are unaudited and the interim report comprising these financial statements has been reviewed by the Audit Committee of the Company.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Revenue	**446,242**	507,822
Operating loss	**(116,104)**	(79,886)
Loss attributable to owners of the Company	**(120,419)**	(93,616)
Loss per share (HK cents)	**(56.75)**	(44.12)

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

The Group's consolidated turnover for the six months ended 30 June 2017 was HK$446 million, compared to HK$508 million in 2016, down 12% compared to prior period.

Over the same period, and as projected in the Chairman's Statement of the 2016 Annual Report, the Company also incurred significant non-recurring and one-off costs. HK$30 million of this was linked to the continued downsizing of its Nanhai facility, HK$6 million related to the construction and commissioning its new Xiamen plant in Fujian Province, and a further HK$6 million was incurred in professional fees pursuant to the proposed sale of the Commercial business.

The Group's loss attributable to the equity holders of the Company is HK$120 million, an increase of HK$26 million versus the previous period loss of HK$94 million.

CARPET OPERATIONS

First half turnover from carpet operations at HK$432 million was 12% down compared to prior year mainly driven by weak sales in the Americas.

The gross profit margin was down from 46% to 42% with cost of sales impacted by some of the non-recurring expenses mentioned above. The normalised figures indicate a reduction in margin of 3% driven by a change in the mix of sales compared to 2016. For the six months ended 30 June 2017, sales of lower margin goods in Asia and EMEA were up, while sales of higher margin product into the USA, private Aviation and Yacht were well down compared to prior period.

The Americas

At HK$150 million, turnover in the Americas was down 26% compared to the first half of 2016. The business had a particularly slow start to the year following a very strong last quarter of 2016, and trading has continued to be sluggish through the second quarter. In this region in particular, news of the Company's strategic review announced late in 2016 has caused uncertainty both externally and internally. Unusually high staff turnover has combined with marketplace rumours to drive a temporary reduction in business.

Both the Commercial and Artisan sides of the business have been affected – Commercial and Hospitality sales were down by 24% to HK$90 million, and Artisan sales were down 28% at HK$60 million.

The recent announcement to the stock exchange confirming the proposed sale of the Commercial business has enabled proactive communication to reassure both customers and employees, so the second half should see improvement.

Asia

At HK$208 million, turnover in Asia was up 5% compared to the first half of 2016.

Hospitality and Commercial sales were up by 10% at HK$166 million while the Artisan side was down 13% at HK$42 million.

Europe, the Middle East and Africa ("EMEA")

First half turnover in EMEA was down 20% to HK$74 million partly due to a number of large projects that shipped in the comparative period in 2016. Stronger bookings in the second quarter point to a considerable improvement flowing through the balance of the year.

Manufacturing Operations

Output from the first phase of the new Artisan workshop in Xiamen has increased quickly since the beginning of the year, growing from around 2,500 square meters in January to 6,500 square meters in June. Skill levels are improving and the facility is now operating at around 90% of its planned output. Unit costs are reducing and the dependency on lower margin third-party supply is reduced. With output close to plan, management focus is on delivering the efficiency, productivity and material utilisation improvements needed to bring the cost of manufacture to target levels.

Construction of the second phase will be completed around the end of the year, allowing room for growth consistent with the company's longer term Artisan strategy.

The Group's other major facility – in Pathumthani, Thailand – is included in the proposed sale of the Commercial business.

NON-CARPET OPERATIONS

Other operations comprise mainly our Group's U.S. based yarn-dyeing subsidiary and only represent 3% of the Group's sales. The operation is close to break-even for the first half of the year.

OUTLOOK

We enter the second half with an order book that is slightly weaker than prior year but with the uncertainty around the strategic review diminishing. In addition, normal seasonality means that the second half of the year is always stronger and it is expected that trading and performance will start to catch-up.

The proposed disposal of the Commercial business will contribute to further one-off costs and revenues in the second half. The expected proceeds from sale will be partially absorbed in the completion of manufacturing relocation as well as a restructuring and rationalisation program in the retained business, required to drive go-forward profitability.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (2016: Nil).

CAPITAL EXPENDITURE

Capital expenditure in the form of property, plant and equipment, leasehold land and land use rights, construction in progress and intangible assets incurred by the Group totaled HK$55 million during the six months ended 30 June 2017 (2016: HK$50 million). As at 30 June 2017, the aggregate net book value of the Group's property, plant and equipment, leasehold land and land use rights, construction in progress and intangible assets amounted to HK$480 million (as at 31 December 2016: HK$439 million).

LIQUIDITY & FINANCIAL RESOURCES

The Group coordinates its financing and cash management activities at the corporate level. As at 30 June 2017, the Group had total cash and cash equivalents including short term fixed deposits and financial assets at fair value through profit or loss (maturity within 12 months) amounting to HK$192 million (as at 31 December 2016: HK$233 million); and total bank borrowings amounting to HK$198 million (as at 31 December 2016: HK$119 million).

DETAILS OF CHARGES ON THE GROUP'S ASSETS

The Group had charges on bank deposits of HK$1 million (as at 31 December 2016: HK$2 million) made to a bank in securing the purchase of goods from the Group's suppliers and to pledge for utilities of factory in the P.R.C..

EXPOSURE TO FOREIGN EXCHANGE RISKS

The Group has overseas operations in the U.S., Europe, Thailand, the P.R.C., Singapore, India and Argentina. The Group treats its investments in these foreign operations as permanent equity, so exchange differences from translating the net investments in these foreign operations do not affect cash flows and are dealt with in the reserves.

The Group's sales are denominated primarily in U.S. dollars, and to a lesser extent in Thai Baht and Euro and a variety of other currencies.

The Group recorded a net exchange gain of HK$3 million for the six months ended 30 June 2017 which was mainly attributable to the translation of foreign operations of net assets denominated in Chinese Renminbi during the period.

HUMAN RESOURCES & REMUNERATION POLICIES

The number of employees has decreased by 5% since the start of the year consistent the continued downsizing of Nanhai operations. The total number of employees at end of June 2017 stands at 2,634 compared to 2,773 at the end of 2016.

Employees are remunerated according to the nature of the job and market trends, with built-in merit components incorporated as an annual incentive to reward and motivate individual performance.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group's total contingent liabilities amounted to HK$13 million (as at 31 December 2016: HK$21 million).

ASSET HELD FOR SALE

Our minority shareholding in PCMC continues to be classified as an asset held for sale. The underlying factory site in Manila is currently being marketed for sale by PCMC, after which our intention is to sell or otherwise unwind our shareholding, which we fully expect to happen in the next 12 months.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2017	2016
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**446,242**	507,822
Cost of sales		**(263,730)**	(274,802)
Gross profit		**182,512**	233,020
Distribution costs	*4*	**(161,675)**	(165,668)
Administrative expenses	*4*	**(141,599)**	(152,683)
Other gains – net	*5*	**4,658**	5,445
Operating loss		**(116,104)**	(79,886)
Finance income		**83**	348
Finance costs		**(83)**	(12)
Finance income – net	*6*	**–**	336
Loss before income tax		**(116,104)**	(79,550)
Income tax expense	*7*	**(5,373)**	(20,871)
Loss for the period		**(121,477)**	(100,421)
Loss attributable to:			
owners of the Company		**(120,419)**	(93,616)
non-controlling interests		**(1,058)**	(6,805)
		(121,477)	(100,421)
Loss per share attributable to the owners of the Company during the period (expressed in HK cents per share)			
Basic/diluted	*9*	**(56.75)**	(44.12)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Loss for the period	**(121,477)**	(100,421)
Other comprehensive income net of tax:		
Item that may be reclassified to profit and loss currency translation differences	**28,101**	2,147
Other comprehensive income for the period, net of tax	**28,101**	2,147
Total comprehensive income for the period	**(93,376)**	(98,274)
Attributable to:		
owners of the Company	**(93,426)**	(90,886)
non-controlling interests	**50**	(7,388)
	(93,376)	(98,274)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited 30 Jun 2017** ***HK$'000***	Audited 31 Dec 2016 *HK$'000*
Assets			
Non-current assets			
Land use rights		**28,328**	27,785
Property, plant & equipment		**197,456**	204,992
Construction in progress		**228,155**	177,951
Intangible assets		**26,043**	28,707
Deferred income tax assets		**8,494**	7,530
Prepayments	*10*	**11,656**	13,570
Pledged bank deposits		**286**	277
		500,418	460,812
Current assets			
Inventories		**276,607**	217,072
Trade & other receivables	*10*	**220,280**	300,535
Derivative financial instruments		**244**	–
Financial assets at fair value through profit or loss		**120,356**	89,220
Current income tax assets		**15,792**	14,460
Pledged bank deposits		**709**	2,058
Fixed deposits		**–**	389
Cash & cash equivalents		**71,560**	143,746
		705,548	767,480
Non-current asset held for sale		**17,192**	17,192
		722,740	784,672
Total assets		**1,223,158**	1,245,484

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited 30 Jun 2017** ***HK$'000***	Audited 31 Dec 2016 *HK$'000*
Equity			
Equity attributable to owners of the Company			
Share capital		**21,219**	21,219
Reserves		**339,975**	312,982
Retained earnings:			
Proposed final dividend		**–**	6,366
Others		**221,475**	341,894
		582,669	682,461
Non-controlling interests		**34,706**	34,656
Total equity		**617,375**	717,117
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		**4,816**	4,816
Retirement benefit obligations		**32,552**	28,857
Other long-term liabilities		**–**	1,200
		37,368	34,873
Current liabilities			
Trade & other payables	*11*	**363,181**	358,860
Current income tax liabilities		**7,207**	15,315
Bank borrowings – unsecured		**198,027**	119,211
Derivative financial instruments		**–**	108
		568,415	493,494
Total liabilities		**605,783**	528,367
Total equity & liabilities		**1,223,158**	1,245,484
Net current assets		**154,325**	291,178
Total assets less current liabilities		**654,743**	751,990

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair value.

2. CHANGES IN ACCOUNTING STANDARDS

Except as described below, accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2016, as described in those annual consolidated financial statements.

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

New and amended standards and interpretations which are mandatory for the first time for the financial period beginning 1 January 2017 but have no material impact to the Group.

Annual Improvements Project	Annual Improvements 2014-2016 Cycle (amendments)
HKAS 7	Disclosure Initiative (amendments)
HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses (amendments)

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors which are used to assess performance and allocate resources. The Board of Directors assesses the performance in the following geographical areas: Asia, Europe, the Middle East and Africa ("EMEA"), North America and South America.

The Board of Directors assesses the performance of the operating segments based on a measure of segment results. Segment results represent the operating profit/loss of each business segment and the effects of gain/loss and income/expenditure which are considered relevant in assessing the segment's performance.

The segment information provided to management for the reportable segments for the six months ended 30 June 2017 and 2016 is as follows:

For the six months ended 30 June 2017

	Asia	EMEA	North America	South America	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	**207,718**	**74,099**	**152,532**	**11,893**	**–**	**446,242**
Cost of production[1]	**(155,790)**	**(41,319)**	**(85,263)**	**(7,753)**	**–**	**(290,125)**
Segment gross margin	**51,928**	**32,780**	**67,269**	**4,140**	**–**	**156,117**
Segment results	**(23,631)**	**(33,070)**	**(53,640)**	**977**	**–**	**(109,364)**
Unallocated expenses[2]						**(6,740)**
Operating loss						**(116,104)**
Finance income						**83**
Finance costs						**(83)**
Loss before income tax						**(116,104)**
Income tax expense						**(5,373)**
Loss for the period						**(121,477)**
Capital expenditure	**(53,324)**	**(373)**	**(1,043)**	**–**	**–**	**(54,740)**
Depreciation of property, plant & equipment	**(18,961)**	**(1,429)**	**(3,517)**	**(7)**	**(40)**	**(23,954)**
Amortisation of land use rights	**(304)**	**–**	**–**	**–**	**–**	**(304)**
Amortisation of intangible assets	**(5,328)**	**–**	**(65)**	**–**	**–**	**(5,393)**
Recovery of/(allowance for) impairment of trade receivables, net	**111**	**(385)**	**(503)**	**–**	**–**	**(777)**

For the six months ended 30 June 2016

	Asia	EMEA	North America	South America	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	197,806	92,607	213,634	3,775	–	507,822
Cost of production[1]	(142,213)	(44,493)	(120,779)	(3,001)	–	(310,486)
Segment gross margin	55,593	48,114	92,855	774	–	197,336
Segment results	(28,872)	(16,472)	(26,250)	(5,770)	–	(77,364)
Unallocated expenses[2]						(2,522)
Operating loss						(79,886)
Finance income						348
Finance costs						(12)
Loss before income tax						(79,550)
Income tax expense						(20,871)
Loss for the period						(100,421)
Capital expenditure	(9,967)	(827)	(1,456)	–	(37,620)	(49,870)
Depreciation of property, plant & equipment	(18,527)	(1,668)	(4,157)	(5)	(456)	(24,813)
Amortisation of land use rights	–	–	–	–	(321)	(321)
Amortisation of intangible assets	(5,008)	–	(65)	–	–	(5,073)
(Allowance for)/recovery of impairment of trade receivables, net	(345)	(933)	142	(17)	–	(1,153)

Notes:

1 Cost of production comprises cost of sales, transportation and administrative expenses of the factories, which are classified as distribution costs and administrative expenses in the condensed consolidated income statement.

2 Unallocated expenses include corporate expenses and income of the Group.

4. EXPENSES BY NATURE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Depreciation of property, plant & equipment	**23,954**	24,813
Amortisation of land use rights	**304**	321
Amortisation of intangible assets	**5,393**	5,073
Allowance for impairment of trade receivables, net	**777**	1,153
Allowance for impairment of inventories	**2,306**	2,312
Bad debts written off	**403**	175

5. OTHER GAINS – NET

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Gain on disposal of financial assets at fair value through profit or loss	**579**	992
Gain on disposal of property, plant & equipment	**135**	47
Property, plant and equipment written off	**(534)**	(16)
Gain on change in fair value of derivative financial instruments	**358**	–
Gain on disposal of materials	**849**	2,428
Net foreign exchange gain	**2,826**	68
Others	**445**	1,926
	4,658	5,445

6. FINANCE INCOME – NET

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Finance costs – interests on bank loans & overdrafts wholly repayable within five years	**(83)**	(12)
Finance income – interest income from banks	**83**	348
Finance income – net	**–**	336

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Current income tax		
Hong Kong	**–**	3,151
PRC & overseas	**6,342**	4,784
Over-provision in prior years	**(417)**	–
Withholding tax	**–**	10,352
Deferred income tax (credit)/expense	**(552)**	2,584
Income tax expense	**5,373**	20,871

Income tax expense is recognised based on management's estimate of the weighted average income tax rate expected for the full financial period. The estimated weighted average income tax rate for the period ended 30 June 2017 is 29% (2016: 31%).

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the period (2016: Nil). The 2016 final dividend was paid on 16 June 2017.

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2017	2016
Loss attributable to owners of the Company (HK$'000)	**(120,419)**	(93,616)
Weighted average number of ordinary shares in issue (thousands)	**212,187**	212,187
Basic loss per share (HK cents)	**(56.75)**	(44.12)

The Group had no dilutive potential shares outstanding during the period ended 30 June 2017 and 2016.

10. TRADE & OTHER RECEIVABLES

	30 Jun 2017	31 Dec 2016
	HK$'000	*HK$'000*
Trade receivables	**142,835**	228,365
Less: provision for impairment of trade receivables	**(8,240)**	(7,242)
Trade receivables – net	**134,595**	221,123
Prepayments	**34,543**	27,133
Value added tax receivables	**29,270**	22,764
Rental deposits	**7,255**	7,150
Other receivables	**26,273**	35,935
	231,936	314,105

Prepayments included in non-current assets amounted to HK$11,656,000 (as at 31 December 2016: HK$13,570,000).

The carrying amounts of trade receivables approximate their fair values as at 30 June 2017 and 31 December 2016. The credit terms of the Group range from 0 to 90 days, depending on the credit status and repayment history of customers. At the end of the financial period, the ageing analysis of the trade receivables based on invoice date is as follows:

	30 Jun 2017	31 Dec 2016
	HK$'000	*HK$'000*
0 to 30 days	**66,588**	163,280
31 to 60 days	**19,318**	28,136
61 to 90 days	**9,907**	14,642
91 to 365 days	**40,050**	16,012
More than 365 days	**6,972**	6,295
	142,835	228,365

The ageing analysis of the trade receivables which are past due but not impaired is as follows:

	30 Jun 2017	31 Dec 2016
	HK$'000	*HK$'000*
Amounts past due but not impaired:		
Less than 30 days past due	**28,651**	78,872
31 to 60 days past due	**9,603**	13,399
61 to 90 days past due	**8,230**	6,170
91 to 365 days past due	**30,564**	10,259
More than 365 days past due	**1,202**	957
	78,250	109,657

The balances mainly related to existing customers, most of which have no recent history of default.

As at 30 June 2017, trade receivables of approximately HK$78,250,000 (as at 31 December 2016: HK$109,657,000) were past due but not impaired. The balances were related to a number of customers that have a good track record with the Group. Based on past experience, management estimates that the carrying amounts could be fully recovered.

11. TRADE & OTHER PAYABLES

	30 Jun 2017	31 Dec 2016
	HK$'000	*HK$'000*
Trade payables	**64,938**	82,570
Deposits received in advance	**147,578**	98,636
Accrued expenses	**78,241**	105,450
Other payables	**72,424**	72,204
	363,181	358,860

At the end of the financial period, the ageing analysis of the trade payables based on invoice date is as follows:

	30 Jun 2017	31 Dec 2016
	HK$'000	*HK$'000*
0 to 30 days	**36,627**	69,661
31 days to 60 days	**14,378**	10,191
61 days to 90 days	**5,394**	1,747
More than 90 days	**8,539**	971
	64,938	82,570

12. EVENTS AFTER THE REPORTING PERIOD

On 3 August 2017, the Company entered into a sale and purchase agreement with an independent third party for the disposal of the Commercial business of the Group ("Proposed Disposal") at a consideration of US$94 million (approximately HK$729 million). In addition, the Board intends that a special cash dividend of approximately HK$361 million will be distributed to the shareholders and is conditional upon closing having taken place. Closing of the Proposed Disposal is subject to the approval of the shareholders of the Company and the fulfillment or waiver of the conditions specified under the sale and purchase agreement. The Proposed Disposal is expected to be completed in the second half of 2017. Details of the disposal were set out in the announcement of the Company dated 3 August 2017.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. The Company has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2017 except the following:

The Company's Non-Executive Directors are not appointed for specific terms as required by code provision A.4.1 of the CG Code. However, the relevant Bye-laws of the Company require that every director would retire by rotation at least once every three years, which is in line with the CG Code.

In respect of code provision A.6.7 of the CG Code, all Non-Executive Directors (including Independent Non-Executive Directors) attended the annual general meeting of the Company (the "AGM") held on 19 May 2017 except Mr. David C. L. Tong and Mr. John J. Ying (Non-Executive Directors) due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the Directors' transactions in the securities of the Company (the "Tai Ping Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). Specific enquiry has been made of all the Directors of the Company and they have confirmed their compliance with the required standard set out in the Model Code and the Tai Ping Code during the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2017. Neither the Company nor any of its subsidiaries have purchased or sold any of the Company's shares during the period.

AUDIT COMMITTEE

The Company has set up an Audit Committee on 23 September 2005 and the terms of reference of the Audit Committee are aligned with the CG Code. Under these terms of reference, the responsibilities of the Audit Committee include overseeing the relationship with the Company's external auditor (including making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and approving the audit fee and reviewing the audit scope), review of financial information of the Group, oversight of the Group's financial reporting system and internal controls.

The Audit Committee, together with the management of the Company, has reviewed the accounting principles and practices adopted by the Company as well as the internal control procedures of the Company, and discussed financial reporting matters, including the review of interim financial information for the six months ended 30 June 2017.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.taipingcarpets.com). The Interim Report 2017 of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders and made available on the same websites in due course.

By order of the Board

Nicholas T. J. Colfer	**James H. Kaplan**
Chairman	*Chief Executive Officer*

Hong Kong, 30 August 2017

As at the date of this announcement, the Directors of the Company are: Chairman and Non-executive Director – Mr. Nicholas T. J. Colfer; Chief Executive Officer and Executive Director – Mr. James H. Kaplan; Independent Non-executive Directors – Mrs. Yvette Y. H. Fung, Mr. Roderic N. A. Sage, Mr. Lincoln C. K. Yung, Mr. Aubrey K. S. Li; Non-executive Directors – Mr. David C. L. Tong, Mr. John J. Ying, Mr. Nelson K. F. Leong, Mr. Andrew C. W. Brandler.