ZHONG HUA INTERNATIONAL HOLDINGS LIMITED
中華國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1064)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the "Directors") of Zhong Hua International Holdings Limited (the "Company") would like to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 (the "Annual Results"), together with the comparative figures and the relevant explanatory notes, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
REVENUE	2	**37,392**	38,304
Other income		**21,321**	804
Changes in fair value of investment properties		**169,433**	124,897
Administrative expenses		**(32,643)**	(27,407)
Finance costs	3	**(8,660)**	(9,847)
PROFIT BEFORE TAX	4	**186,843**	126,751
Income tax expense	5	**(46,858)**	(34,886)
PROFIT FOR THE YEAR		**139,985**	91,865
Attributable to:			
Ordinary equity holders of the Company		**28,736**	16,438
Non-controlling interests		**111,249**	75,427
		139,985	91,865
			(Restated)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK$0.05**	HK$0.03
Diluted		**HK$0.05**	HK$0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**139,985**	91,865
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense to be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	**(159,380)**	(64,896)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**(19,395)**	26,969
Attributable to:		
Ordinary equity holders of the Company	**(19,407)**	(3,653)
Non-controlling interests	**12**	30,622
	(19,395)	26,969

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,603**	6,445
Investment properties		**3,925,860**	3,986,250
Total non-current assets		**3,931,463**	3,992,695
CURRENT ASSETS			
Properties held for sale		**36,692**	38,869
Trade receivables	8	**14,211**	13,680
Prepayments, deposits and other receivables		**13,724**	14,406
Cash and bank balances		**18,584**	44,412
Total current assets		**83,211**	111,367
CURRENT LIABILITIES			
Trade payables	9	**(2,053)**	(2,174)
Other payables and accruals		**(25,717)**	(50,601)
Tax payable		**(41,101)**	(40,483)
Interest-bearing bank and other borrowings		**(9,213)**	(8,934)
Total current liabilities		**(78,084)**	(102,192)
NET CURRENT ASSETS		**5,127**	9,175
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,936,590**	4,001,870
NON-CURRENT LIABILITIES			
Loan from a director		**(75,496)**	(79,975)
Due to a director		**(133,334)**	(166,163)
Long term other payables		**(140,163)**	(131,710)
Interest-bearing bank and other borrowings		**(22,772)**	(33,446)
Deferred tax liabilities		**(832,792)**	(839,148)
Total non-current liabilities		**(1,204,557)**	(1,250,442)
Net assets		**2,732,033**	2,751,428
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**15,140**	15,140
Reserves		**801,195**	820,602
		816,335	835,742
Non-controlling interests		**1,915,698**	1,915,686
Total equity		**2,732,033**	2,751,428

Notes:

1.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

Other than as explained below regarding the impact of *Annual Improvements to HKFRSs 2010-2012 Cycle* and *Annual Improvements to HKFRSs 2011-2013 Cycle*, the adoption of the above revised standards has had no significant financial effect on these financial statements.

(a) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(b) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisition of investment properties. The amendment has had no impact on the Group as the addition of investment properties during the year was not a business combination and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue represents gross income from letting investment properties, after elimination of all significant intra-group transactions less any applicable turnover taxes.

For management purposes, the Group is organised into business units based on their services and was two reportable operating segments as follows:

(a) the property investment segment, which invests in properties located in Mainland China for generating potential income from letting; and

(b) the corporate and others segment, which provides management services to group companies.

The management of the Group monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax from operations. The adjusted profit/(loss) before tax from operations is measured consistently with the Group's profit/(loss) before tax from operations except that other income and finance costs are excluded from such measurement. Segment assets exclude cash and bank balances as it is managed on a group basis. Segment liabilities exclude tax payable, deferred tax liabilities, interest-bearing bank and other borrowings and a loan from a director as these liabilities are managed on a group basis.

	Property investment		Corporate and others		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**37,392**	38,304	**–**	–	**37,392**	38,304
Segment results	**186,994**	148,702	**(12,812)**	(12,908)	**174,182**	135,794
Other income					**21,321**	804
Finance costs					**(8,660)**	(9,847)
Profit before tax					**186,843**	126,751
Income tax expense					**(46,858)**	(34,886)
Profit for the year					**139,985**	91,865
Segment assets	**3,995,444**	4,058,811	**646**	839	**3,996,090**	4,059,650
Unallocated assets					**18,584**	44,412
Total assets					**4,014,674**	4,104,062
Segment liabilities	**251,971**	299,473	**49,296**	51,175	**301,267**	350,648
Unallocated liabilities					**981,374**	1,001,986
Total liabilities					**1,282,641**	1,352,634
Other segment information:						
Capital expenditure	**308**	3,623	**–**	–	**308**	3,623
Depreciation	**330**	343	**177**	189	**507**	532
Gain on disposal of items of properties, plant and equipment	**–**	52	**–**	–	**–**	52
Changes in fair value of investment properties	**169,433**	124,897	**–**	–	**169,433**	124,897
Interest on a loan from a director	**6,155**	6,305	**–**	–	**6,155**	6,305
Write-off of aged liabilities	**(20,571)**	–	**–**	–	**(20,571)**	–

Geographical information

Revenues are attributed to the segments based on the locations of the customers, and assets are attributed to the segments based on the locations of the assets. No geographical information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

Information about major customers

Revenues from four (2014: four) customers, each of whom accounted for revenue exceeding 10% of the Group's total revenues, amounted to approximately HK$37,392,000 (2014: HK$38,304,000).

3. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on:		
Bank loans	**2,501**	3,527
Finance lease	**4**	15
Loan from a director	**6,155**	6,305
	8,660	9,847

4. PROFIT BEFORE TAX

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

	2015	2014
	HK$'000	*HK$'000*
Depreciation	**507**	532
Bank interest income	**(94)**	(169)
Changes in fair value of investment properties	**(169,433)**	(124,897)
Write-off of aged liabilities*	**(20,571)**	–

* This item is included in "Other income" on the face of the consolidated income statement.

5. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Group:		
Current – elsewhere		
Charge for the year	**4,500**	3,661
Deferred	**42,358**	31,225
Total tax charge for the year	**46,858**	34,886

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the year (2014: Nil).

6. FINAL DIVIDEND

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$28,736,000 (2014: HK$16,438,000), and the weighted average number of ordinary shares of 605,616,520 (2014: 605,616,520 *(restated)*) in issue during the year.

The weighted average number of ordinary shares for the purposes of basic and diluted earnings per share for the years ended 31 December 2015 and 2014 have been adjusted to reflect the impact of the share subdivision effected during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

8. TRADE RECEIVABLES

An aged analysis of the trade receivables at the end of the reporting period is as follows:

	2015		2014	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
Within 6 months	**7,131**	**50**	7,486	55
6 to 12 months	**7,080**	**50**	6,194	45
	14,211	**100**	13,680	100

The Group generally grants a credit term of 3 months to 12 months to its customers.

The age of the Group's trade receivables is based on the date of recognition of revenue and the due date of instalments as stipulated in the sale contracts. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

9. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period is as follows:

	2015		2014	
	HK$'000	***Percentage***	*HK$'000*	*Percentage*
More than 1 year	**2,053**	**100**	2,174	100

The age of the Group's trade payables is based on the dates of the goods received or services rendered. The trade payables are non-interest-bearing.

FINANCIAL REVIEW

The Group recorded a turnover of HK$37,392,000 (2014: HK$38,304,000) for the year ended 31 December 2015. Net profit for the year attributable to ordinary equity holders of the Company was HK$28,736,000 (2014: HK$16,438,000).

The Group generally financed its operations with internally generated cash flows and banking facilities during the year.

Cash and bank balances of the Group as at 31 December 2015 amounted to HK$18,584,000 (2014: HK$44,412,000).

At 31 December 2015, the Group had outstanding borrowings of approximately HK$107,481,000 (2014: HK$122,355,000) comprising interest-bearing bank loans amounted to HK$31,985,000 (2014: HK$42,216,000) and a loan from a director amounted to HK$75,496,000 (2014: HK$79,975,000). The outstanding borrowing as at 31 December 2014 also comprised a finance lease payable amounted to HK$164,000. Of the Group's interest-bearing bank loans, 29%, 28% and 43% respectively were repayable within one year or on demand, in the second year, and in the third to fifth years, inclusive.

At 31 December 2015, the secured bank loans of HK$31,985,000 (2014: HK$42,216,000) of the Group bore interest at floating interest rates. The secured bank loan of HK$5,645,000 (2014: HK$8,433,000) of the Group is denominated in Hong Kong dollars. HK$26,340,000 (2014: HK$33,783,000) of the secured bank loans are denominated in Renminbi ("RMB").

The Group's gearing ratio as at 31 December 2015 was 0.03 (2014: 0.03), calculated based on the Group's interest-bearing bank and other borrowings and loan from a director of HK$107,481,000 (2014: HK$122,355,000) over total assets of HK$4,104,674,000 (2014: HK$4,104,062,000). The Group's gearing was maintained at a relatively low level during the year.

BUSINESS REVIEW

The Company is an investment holding company. Its subsidiaries are principally engaged in property investment and development in Mainland China and have two property interests, one in Chongqing (重慶市) and the other in Guangzhou (廣州市).

Guang Yu Square (港渝廣場), a 16-storey plus a basement commercial building, is situated at the most prime commercial area at Chaotianmen (朝天門), Yuzhong District (渝中區), Chongqing (重慶市). Chaotianmen is one of the major clothing wholesale points in Chongqing while Guang Yu Square is the most popular men's clothing and footwear wholesale centre in the region.

The property interest in Guangzhou (廣州市) is situated at the most prime commercial area in Yuexiu District (越秀區), Guangzhou. It is planned that the development site will be developed into a versatile grade A commercial building complex with wholesale and exhibition hall facilities and with an objective to be the landmark of the Yuexiu District. The development site is comprised of three contiguous land parcels located at the east of Jiefang Road South (解放南路), to the south of Daxin Road (大新路), to the north of Yede Road (一德路) and to the west of Xieen Road (謝恩里), Yuexiu District and is wholly owned by Guangzhou Zheng Da Real Estate Development Company Limited (廣州市正大房地產開發有限公司) ("GZ Zheng Da") which in turn Zheng Da Real Estate Development Co. Ltd. ("HK Zheng Da"), a private company incorporated in Hong Kong, has 100% interest.

GZ Zheng Da was set up as a Sino-foreign joint venture by HK Zheng Da as the foreign partner and a state-owned enterprise as a third party as the sino partner in Guangzhou in December 1993. Since its formation, the sino partner has not provided any capital or management support to GZ Zheng Da to a material extent. Pursuant to the terms of the Enforcement Rules of the Joint Venture Agreement (合作合同實施細則) (the "Enforcement Rules") executed in 1994, the sino partner agreed to surrender its entire interest in GZ Zheng Da except those benefits specified in the Enforcement Rules and therefore HK Zheng Da assumed 100% interest in GZ Zheng Da.

The Group acquired a 25% indirect interest in HK Zheng Da in December 2007 while the remaining 75% interest to be completed by the Group not later than 30 June 2016 at an aggregate consideration of RMB1,361,100,000 (approximately HK$1,606,098,000). Details of the intended acquisition, including terms and conditions, consideration and settlement mechanism, and their amendments thereafter were disclosed in the Company's circular dated 26 November 2007 and the Company's announcements dated 31 March 2009, 29 June 2009, 17 December 2009, 22 June 2010, 24 June 2011, 28 June 2012, 26 June 2013, 23 June 2014 and 2 June 2015 (primarily refers to the deferment of the long stop date for completion of the acquisition from 31 March 2009 to 30 June 2016).

Pending for re-developing into a commercial complex, the development site is presently comprised of a 2-storey non-permanent commercial podium and a car park for loading and offloading inventory. With a history of over one century for footwear wholesale business in the area surrounding the development site, the commercial podium is the most popular footwear boutique showcase and wholesale centre in Guangzhou.

The development project was initially planned to be completed within a period of 15 years but its progress was interrupted by the modifications of municipal planning in the region from time to time in the past years. Pursuant to the terms of the relevant joint venture agreement, the joint venture period of GZ Zheng Da is from 31 December 1993 to 31 December 2008 and can be further extended at the request of either foreign or sino partner upon maturity. In December 2008, both GZ Zheng Da and its foreign partner, HK Zheng Da, agreed to extend the joint venture period by 15 years with effect from 1 January 2009 in accordance with the provisions of the articles of GZ Zheng Da but 越秀房地產開發經營公司 ("越秀國企"), its sino partner and a state-owned enterprise, had become dormant a couple of years ago and therefore its consent could not be obtained. On the other hand, it appeared that another enterprise named 越秀房地產開發經營有限公司 ("越房私企"), a privately owned enterprise which acquired certain assets (but not included any interest in GZ Zheng Da (if any)) from 越秀國企 some years ago, claimed that it had taken up certain interest in GZ Zheng Da (if any) from 越秀國企, but that was not the case. As such, in late December 2008, GZ Zheng Da served a writ against 越房私企 at the Guangdong Province Guangzhou Municipal Yuexiu District People's Court (廣東省廣州市越秀區人民法院) (the "Yuexiu Court") demanding for the confirmation of disqualification of 越房私企 from the sino partnership (if any) of the subject joint venture. The relevant judgement has been issued in July 2009 with rulings endorsing the forfeiture of the partnership qualification and legal entitlements of 越房私企 in the joint venture. 越房私企 then filed an appeal petition (the "Appeal") at the Guangzhou Municipal Intermediate People's Court (廣州市中級人民法院) (the "Guangzhou Court") in August 2009. An hearing was made in October 2009 and no further hearings had been made since then. Both GZ Zheng Da and HK Zheng Da have not yet received a valid judgement in writing issued by the Guangzhou Court in accordance with the relevant PRC laws and due judicial procedures. Further details about the developments of, and events incidental to the Appeal were disclosed in the Company's announcement dated 25 March 2013. Both GZ Zheng Da and HK Zheng Da are looking forward to receiving a formal and legally valid verdict, notice or directive in relation to the Appeal to be granted by the Guangzhou Court or its higher court in accordance with the relevant PRC laws and due judicial procedures. Taking into account the latest rulings granted by the Yuexiu Court in July 2009, the facts and legal grounds substantiated at the first hearing of the Appeal, and the opinion given by the PRC legal counsels and advisers, the Company remains optimistic in obtaining a favourable judgement in the Appeal.

BUSINESS PROSPECTS

It is anticipated that the global monetary, commodity and stock markets will be relatively volatile coupled with unpredictable global economic growth forecasts in 2016. While the United States has ceased its quantitative easing policies on money supply in mid 2015 and has raised the federal fund rate in December 2015 to cool down its domestic inflation threat, most central banks in the western world, including the European Economic Community and Japan, are initiating another round of quantitative easing policies to boost their weaken domestic economies. The uncertainty and speculation of foreign exchange fluctuations, mainly Euro dollars and Japanese Yen, and crude oil price fluctuations will unavoidably hit the exports of Mainland China in 2016.

It is also perceived that Mainland China will encounter a tough year in 2016. The Finance Minister of China recently commented at the National People's Congress that the economic growth forecast will be further slowdown in 2016. Since late 2014, the People's Bank of China has been decreasing the benchmark lending interest rate and required reserve ratio of commercial banks with an objective to enhance the liquidity of domestic money market in Mainland China. The property markets in most leading cities in Mainland China will remain relatively steady in 2016. With the sustaining growth in economy and population in major cities in Mainland China in future, the Group remains optimistic in the prospects of the property market in Mainland China in the medium to long-term spectrum. In addition, the Group considers that the geographical spread of its investment property projects in both Chongqing as the capital city of western China and Guangzhou as the capital city of southern China, with varying economic growth propensity, will serve to diversify the Group's exposure to business risks in the two regions.

The Group expects that the investment potential of the Guang Yu Square will be further improved in the medium term, as the Chongqing Municipal People's Government (重慶市人民政府) has been undergoing a major urban re-development (城市改造工程) at Chaotinanmen so that most aged and poorly managed buildings surrounding the Guang Yu Square will be demolished and new infrastructure facilities will be constructed in coming years. To couple with this major urban redevelopment, the Group has commenced the refurbishment of the Guang Yu Square to upgrade its facilities and exterior design and thereafter, the revenue from the property is expected to generate a higher yield.

In respect of the investment project in Guangzhou, it is planned that the development site will be developed into a versatile grade A commercial building complex with wholesale and exhibition hall facilities. Upon the completion of the project, it is anticipated that significant revenue can be generated for the Group and, more importantly, it can create more job opportunities and economic benefits to the Yuexiu District. However, the construction schedule of the development project has been deferred pending to the outcome of the lawsuit. As such, the development site is currently operating as a non-permanent commercial podium for footwear boutique showcase and wholesale centre so as to maintain a steady revenue for the Group in 2016.

Having considered these matters, the Directors will keep on a cautious approach in its property development projects on hand and re-mapping its business directions for the coming three years and are of the view that the Group should diversify its business. It is anticipated that the engagement in renewable energy and related industries will be a new business model all over the world in the forthcoming years.

Given the strong asset backing and low gearing ratio for the Group's financial position, the Group may take these advantages to explore new business opportunities in 2016 and 2017. The Directors will also strengthen its management expertise and redeploy the Group's resources for meeting these new challenges.

Looking ahead, the Directors are confident and optimistic about the Group's future prospects.

Furthermore, as stated in the Company's announcement dated 2 June 2015, the Group and its counter parties executed a supplemental agreement to explore opportunity to arrive any revised terms for the settlement of and the consideration for, and completion timetable in relation to the acquisition of the remaining 75% indirect interest in HK Zheng Da not later than the revised long stop date which was further deferred to 30 June 2016. If a revised agreement is concluded, it is anticipated that the acquisition will be financed by debt financing, equity financing, bank borrowings or a combination of the three kinds. If in case the acquisition lapses on 30 June 2016, no party shall be liable to each other. If this happens, the Group will no longer deem control over the Zheng Da group and there will be a major accounting adjustment to the consolidated accounts of the Company for the year ending 31 December 2016 to the effect that the Zheng Da group will be regarded as an associated company with a 25% equity interest but not a 25% owned subsidiary of the Company. Further announcement will be made once a concrete decision is made by the Group.

CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company complied with the Code on Corporate Governance Practice (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year, except for the following deviation:

Code Provision A.4.2

The second part of Code A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Pursuant to the bye-laws of the Company, the Managing Director of the Company shall not be subject to retirement by rotation. However, the Managing Director of the Company had voluntarily retired by rotation every three years and offered himself for re-election at the Company's general meetings in the past years. The Directors consider that this practice is in line with the spirit of the relevant practice of the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company had adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by its directors. Having made specific enquiry to the Directors, the Company confirmed that the Directors had complied with required standard set out in the Model Code throughout the accounting period covered by the annual report.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

AUDIT COMMITTEE

The Annual Results had been reviewed by the Audit Committee of the Company.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report of the Group for the year ended 31 December 2015 containing all information required by Appendix 16 of the Listing Rules will be sent to the shareholders of the Company as well as released on the web site of the Stock Exchange as soon as practicable.

By Order of the Board
Ho Kam Hung
Executive Director

Hong Kong, 22 March 2016

As at the date of this announcement, the board of directors of the Company comprises: (i) Ho Kam Hung as executive director; (ii) Young Kwok Sui as non-executive director; and (iii) Tam Kong, Lawrence, Wong Miu Ting, Ivy and Wong Kui Fai as independent non-executive directors.