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THE CROSS-HARBOUR (HOLDINGS) LIMITED

港通控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 32)

2016 Interim Results Announcement

The board of directors of The Cross-Harbour (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016. The interim results have been reviewed by the audit committee and KPMG.

GROUP RESULTS

The Group’s unaudited profit attributable to shareholders for the first half of 2016 amounted to HK\$123.1 million, representing a decrease of 60.9% as compared with HK\$315.2 million for the first half of 2015. Earnings per share were HK\$0.33 against HK\$0.85 for the last corresponding period.

DIVIDENDS

A first quarterly interim dividend of HK\$0.06 per share, absorbing a total amount of HK\$22.4 million, was paid on 5 July 2016. Your directors have today declared a second quarterly interim dividend of HK\$0.06 per share payable on 22 September 2016 to shareholders registered at the close of business on 14 September 2016.

CLOSURE OF BOOKS

The register of members and transfer books of the Company will be closed from Monday, 12 September 2016 to Wednesday, 14 September 2016, both days inclusive, during which period no transfer of shares in the Company shall be registered. In order to qualify for the second quarterly interim dividend, all transfer documents and accompanying share certificates must be lodged for registration with Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m., Friday, 9 September 2016.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2016 \$'000	2015 \$'000
Revenue	2	205,871	202,150
Other revenue		13	12
Other net (losses) / gains	3	(184,062)	3,778
Direct costs and operating expenses		(81,116)	(68,987)
Selling and marketing expenses		(13,217)	(12,123)
Administrative and corporate expenses		(41,440)	(39,394)
(Loss) / profit from operations		(113,951)	85,436
Finance costs	4(a)	(14)	(13)
Share of profits less losses of associates		262,596	242,290
Share of profits of a joint venture		12,166	14,672
Profit before taxation	4	160,797	342,385
Income tax	5	(13,460)	(4,575)
Profit for the period		147,337	337,810
		=====	=====
Attributable to:			
Equity shareholders of the Company		123,133	315,242
Non-controlling interests		24,204	22,568
Profit for the period		147,337	337,810
		=====	=====
Earnings per share	6		
Basic and diluted		33 cents	85 cents
		=====	=====

Details of dividends payable to equity shareholders of the Company are set out in note 7.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2016 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Profit for the period	147,337	337,810
	-----	-----
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale securities:		
net movement in the investment revaluation reserve	(178,041)	153,770
Share of other comprehensive income of a joint venture:		
Exchange differences on translation of financial statements of overseas subsidiary and joint venture	(215)	—
	-----	-----
	(178,256)	153,770
	-----	-----
Total comprehensive income for the period	(30,919)	491,580
	=====	=====
Attributable to:		
Equity shareholders of the Company	(55,058)	469,012
Non-controlling interests	24,139	22,568
	-----	-----
Total comprehensive income for the period	(30,919)	491,580
	=====	=====

Consolidated Statement of Financial Position

As at 30 June 2016 - unaudited

(Expressed in Hong Kong dollars)

	<i>Note</i>	30 June 2016		31 December 2015	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment			159,822		153,517
Interest in leasehold land held for own use			22,609		22,974
			182,431		176,491
Interest in associates			1,627,452		1,785,632
Interest in a joint venture			89,328		77,377
Available-for-sale securities			725,365		917,193
Deferred tax assets			2,050		2,170
			2,626,626		2,958,863
Current assets					
Trading securities			368,716		334,144
Inventories			851		984
Trade and other receivables	8		19,843		16,618
Taxation recoverable			—		2,308
Dividend receivable			86,073		73,000
Bank deposits and cash			2,288,968		2,086,593
			2,764,451		2,513,647
Current liabilities					
Trade and other payables	9		32,644		70,472
Course fees received in advance			247,610		215,289
Taxation payable			13,519		3,781
Dividends payable			26,111		1,071
			319,884		290,613
Net current assets			2,444,567		2,223,034

	30 June 2016		31 December 2015	
	\$'000	\$'000	\$'000	\$'000
Total assets less current liabilities		5,071,193		5,181,897
		-----		-----
Non-current liabilities				
Loan from an associate		278,080		252,879
Deferred tax liabilities		4,951		4,167
		-----		-----
		283,031		257,046
		-----		-----
NET ASSETS		4,788,162		4,924,851
		=====		=====
 CAPITAL AND RESERVES				
Share capital		1,629,461		1,629,461
Reserves		3,033,619		3,174,395
		-----		-----
Total equity attributable to equity shareholders of the Company		4,663,080		4,803,856
Non-controlling interests		125,082		120,995
		-----		-----
TOTAL EQUITY		4,788,162		4,924,851
		=====		=====

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2016 but are extracted from the interim financial report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 August 2016.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- *Annual Improvements to HKFRSs 2012-2014 Cycle*
- *Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2015 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2 Segment reporting

The Group manages its businesses by divisions which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Motoring school operations: this segment invests in subsidiaries which operate three driver training centres.
- Tunnel operations: this segment invests in associates which operate the Western Harbour Tunnel and Tate's Cairn Tunnel franchises.
- Electronic toll operations: this segment invests in a joint venture which operates an electronic toll collection system and provision of telematics service.
- Treasury: this segment operates investing and financing activities and receives dividend income and interest income.

(i) Segment results and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current and non-current assets with the exception of other corporate assets. Segment liabilities include trade creditors attributable to the sales activities and the accruals of the individual segments and dividend payable and taxation payable managed directly by the segments with the exception of other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Motoring School Operations		Tunnel Operations		Electronic Toll Operations		Treasury		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	174,494	150,310	1,250	1,250	2,400	2,400	21,145	19,250	199,289	173,210
Net gain from disposal of available-for-sale securities	—	—	—	—	—	—	—	16,212	—	16,212
Interest revenue	1,606	2,148	—	—	—	—	3,976	9,580	5,582	11,728
Reportable segment revenue	176,100	152,458	1,250	1,250	2,400	2,400	25,121	45,042	204,871	201,150
Reportable segment profit / (loss) before tax	80,283	63,439	263,846	243,540	14,457	16,964	(169,844)	46,864	188,742	370,807
Depreciation	8,188	3,546	—	—	—	—	—	—	8,188	3,546
Share of profits less losses of associates	—	—	262,596	242,290	—	—	—	—	262,596	242,290
Share of profits of a joint venture	—	—	—	—	12,166	14,672	—	—	12,166	14,672
Income tax	13,181	4,296	—	—	279	279	—	—	13,460	4,575
Reportable segment assets at 30 June 2016 / 31 December 2015	619,433	568,924	1,627,452	1,785,632	90,561	92,734	2,978,364	2,941,303	5,315,810	5,388,593

(ii) Reconciliations of reportable segment revenues, profit or loss and assets

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Revenue		
Reportable segment revenue	204,871	201,150
Unallocated head office and corporate revenue	1,000	1,000
	<hr/>	<hr/>
Consolidated revenue	205,871	202,150
	=====	=====
	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Profit		
Reportable segment profit derived from Group's external customers	188,742	370,807
Other revenue	13	12
Unallocated head office and corporate income and expenses	(27,958)	(28,434)
	<hr/>	<hr/>
Consolidated profit before taxation	160,797	342,385
	=====	=====
	At 30 June	At 31 December
	2016	2015
	\$'000	\$'000
Assets		
Reportable segment assets	5,315,810	5,388,593
Unallocated head office and corporate assets	75,267	83,917
	<hr/>	<hr/>
Consolidated total assets	5,391,077	5,472,510
	=====	=====

3 Other net (losses) / gains

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Net unrealised (loss) / gains on trading securities	(138,233)	12,964
Available-for-sale securities reclassified from equity on impairment	(56,645)	(10,508)
Net gains on sale of property, plant and equipment	10,816	1,322
	(184,062)	3,778
	=====	=====

4 Profit before taxation

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Profit before taxation is arrived at after charging/(crediting):		
<i>(a) Finance costs</i>		
Other borrowing costs	14	13
	=====	=====
<i>(b) Other items</i>		
Depreciation	17,167	12,518
Cost of inventories consumed	5,366	5,612
Contributions to defined contribution retirement scheme	3,106	2,750
Dividend income from listed investments	(21,081)	(19,205)
Interest income	(5,582)	(11,728)
	=====	=====

5 Income tax

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Current tax – Hong Kong Profits Tax	12,556	4,116
Deferred tax	904	459
	<u>13,460</u>	<u>4,575</u>
	=====	=====

The provision for Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the six months ended 30 June 2016.

6 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$123,133,000 (2015: \$315,242,000) and the weighted average of 372,688,206 ordinary shares (2015: 372,688,206 ordinary shares) in issue during the period.

7 Dividends

(i) *Dividends payable to equity shareholders attributable to the interim period*

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
First interim dividend declared during the interim period of 6 cents per share (2015: 6 cents per share)	22,361	22,361
Second interim dividend declared after the interim period of 6 cents per share (2015: 6 cents per share)	22,361	22,361
	<u>44,722</u>	<u>44,722</u>
	=====	=====

The second interim dividend declared after the interim period has not been recognised as a liability at the end of the reporting period.

(ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period*

	Six months ended 30 June	
	2016	2015
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of 17 cents per share (2015: 15 cents per share)	63,357	55,903
	=====	=====

8 Trade and other receivables

Included in trade and other receivables are trade receivables (net of allowance for doubtful debts) with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	At 30 June	At 31 December
	2016	2015
	\$'000	\$'000
Within 1 month	2,885	3,065
1 to 2 months	704	951
2 to 3 months	96	134
Over 3 months	1,152	968
	-----	-----
Trade receivables, net of allowance for doubtful debts	4,837	5,118
Other receivables	615	958
	-----	-----
Trade and other receivables	5,452	6,076
Deposits and prepayments	14,391	10,542
	-----	-----
	19,843	16,618
	=====	=====

Debts are normally due within one month from the date of billing, however, further credit may be granted to individual customers when appropriate.

9 Trade and other payables

Included in trade and other payables are trade payables with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	At 30 June	At 31 December
	2016	2015
	\$'000	\$'000
Within 1 month	649	592
1 month to 3 months	925	818
Over 3 months but within 6 months	2,419	2,112
	<hr/>	<hr/>
Trade payables	3,993	3,522
Other payables and accruals	28,651	66,950
	<hr/>	<hr/>
	32,644	70,472
	=====	=====

All of the balances are expected to be settled or recognised as income within one year or are repayable on demand.

10 Comparative figures

The comparative figures of revenue and other net (losses)/gains have been reclassified to conform to current period's presentation.

BUSINESS REVIEW AND PROSPECTS

The Hong Kong economy grew tepidly by 1.2% in the first half of 2016, in the face of the intensified drag from an austere external environment and a loss of momentum in the domestic sector. Exports keep contracting due to slow recovery in the advanced economies. Private consumption expenditure slowed visibly amid sluggish merchandise trade and tourism performance as well as the correction of property prices. Investment sentiments in the Mainland remain fragile given the bleak economic outlook and volatile renminbi exchange rate. The negative factors weighing on growth, including elevated geopolitical risks, strong US dollars and the heightened volatility in the global financial markets after the UK voted to leave the European Union, are anticipated to persist and increase the downside risks to the global economy in the near term. However, as the markets remain skeptical about rate hikes in the near term, the environment of low interest rate and liquidity glut is likely to be sustained globally. As the low growth environment will persist globally, the Hong Kong economic performance in the second half of the year is likely to be restrained and the full year's growth is expected to conclude at around 1% to 2%, which is far lower than the 2.4% growth last year. Further, inflationary pressure is likely to remain moderate given the muted global inflation, low global commodity prices and limited domestic price pressure.

Electronic Toll Operation

Autotoll Limited ("Autotoll"), 50% owned by The Autopass Company Limited (a 70% owned subsidiary), provides electronic toll clearing facilities in Hong Kong covering eleven different toll roads and tunnels. There are fifty-three auto-toll lanes in operation at present. The total number of tags in circulation as at 30 June 2016 was about 314,000. The overall usage of auto-toll facilities in all eleven toll roads and tunnels maintained at around 50%. The number of daily transactions handled by Autotoll was about 394,000 with toll amount of approximately HK\$9.4 million. The number of subscribers for the Global Positioning System at the end of June was about 12,900.

Motoring School Operation

Alpha Hero Group (70% owned) which operates driving training schools, recorded a notable increase of 25% in the number of driving lessons demanded for the period under review as compared with the previous corresponding period. The higher throughput was primarily the aggregate result of better sales intake under continuing efforts by the management in promoting the brand attributes of professionalism and excellence and higher productivity through various quality enhancement programs.

Tunnel Operations

(I) Western Harbour Tunnel Company Limited ("WHTCL") – 50% owned

Despite the adverse economic sentiment, the average daily throughput of the Western Harbour Tunnel ("WHT") for the first half year under review increased by almost 3% to 65,760 vehicle journeys as compared with the last corresponding period. WHT's market share was maintained at 26% for the period under review. However, in view of a further contraction in local economic growth, we remain prudent on the revenue growth of WHTCL for the remaining period of the year, in particular after the expiry of franchise of the Eastern Harbour Tunnel in August.

(II) Tate’s Cairn Tunnel Company Limited (“TCTCL”) – 39.5% owned

The average daily throughput of the Tate’s Cairn Tunnel during the first half year under review decreased slightly by 1% to approximately 58,500 vehicle journeys as compared with the last corresponding period after TCTCL implemented its last toll increase effective from 1 January 2016. The increments are HK\$1 for buses, HK\$2 for motorcycles and HK\$3 for private cars, taxis and every additional axle in excess of two, while the tolls for light buses and goods vehicles remain unchanged. The average toll per vehicle increased from HK\$21.5 in the last corresponding period to HK\$24.3 in the first half year under review.

Treasury Management Business

The weakened global outlook and unsteady monetary environment heightened investors’ risk aversion and triggered massive sell-offs in global and local stock markets early this year. Uncertainties about the timing of US interest rate hikes, lingering concerns about rising credit risks and increasing bad debts in the Mainland, as well as persistent weakness of renminbi, weighed heavily on investors’ sentiment in the Hong Kong stock market. Moreover, the market became more volatile after the Brexit referendum, and another global sell-down in financial risk assets was triggered. Due to the sluggish and turbulent equity market performance during the first half year as well as the weak financial market conditions prevailing at the end of the interim period, the overall performance of the Group’s treasury segment during the period under review was disappointing as compared with the last corresponding period and a significant fair value loss on its portfolio of securities investment was recorded. In view of the increasing volatility of the stock market, we remain conservative about the performance of the Group’s portfolio of listed securities and unlisted investment funds in the remaining months of the year.

COMMENTARY ON INTERIM RESULTS

(I) Review of 2016 Interim Results

The Group’s unaudited profit attributable to shareholders for the six months ended 30 June 2016 amounted to HK\$123.1 million, representing a decrease of 60.9% as compared to HK\$315.2 million for the last corresponding period. Earnings per share were HK\$0.33. The significant decrease in 2016 interim result was primarily attributable to the negative performance of the treasury segment resulting from negative fair value changes in securities investment during the period under review.

The Group’s revenue for the period under review was HK\$205.9 million, an increase of HK\$3.7 million or 1.8% as compared to the HK\$202.2 million recorded in the same period last year. The motoring school operations recorded an increase in revenue of 16.1% to HK\$174.5 million as a result of improvement in tuition fees income due to an increase in demand for driving lessons as compared with the last corresponding period. Turning to the Group’s treasury investment, there was no disposal of securities investments during the first half year under review, as compared to a realised net gain of HK\$16.2 million recorded in the last corresponding period. Dividend income from listed investments in the first six months amounted to HK\$21.1 million as compared to HK\$19.2 million for the last corresponding period.

In addition, the Group's treasury segment recorded a significant unrealised fair value loss on trading securities of HK\$138.2 million for first half year under review against a gain of HK\$13.0 million recorded in the last corresponding period. Revaluation deficit arising on certain available-for-sale securities of HK\$56.6 million, as compared to HK\$10.5 million recorded in the last corresponding period, was transferred from the investment revaluation reserve to the consolidated statement of profit or loss as a result of impairment losses on those securities at 30 June 2016.

The Group's share of profits less losses of associates has increased by 8.4% to HK\$262.6 million as compared to HK\$242.3 million in the last corresponding period due to improved performance of both WHTCL and TCTCL. WHTCL recorded a 5.9% increase in toll revenue as a result of an increase in throughput, whereas TCTCL also registered a 12.5% increase in toll income after the implementation of toll increase in January 2016. After accounting for the amortisation of fair value in excess of net book value of WHTCL and TCTCL as at the completion dates of the acquisitions in 2008, profit contributions from WHTCL and TCTCL for the first half year under review were HK\$222.4 million and HK\$40.2 million respectively as compared to HK\$211.4 million and HK\$30.9 million recorded in the last corresponding period.

The Group's share of profits of a joint venture, Autotoll Limited, which operates an electronic toll collection system, was HK\$12.2 million for the first half year under review against HK\$14.7 million recorded in the last corresponding period, representing a decrease of HK\$2.5 million or 17% as a result of a decrease in project income.

(II) Treasury Investments

As at 30 June 2016, the Group maintained a portfolio of investments with an aggregate fair value of HK\$1,094.1 million (31 December 2015: HK\$1,251.3 million). The portfolio composed of HK\$719.9 million equity investments listed in Hong Kong and HK\$374.2 million unlisted investment funds managed by financial institutions. During the period under review, HK\$172.8 million listed shares and HK\$42.9 million unlisted investment fund were purchased. There was a substantial reduction in portfolio balance as a result of negative fair value changes of certain available-for-sale securities and trading securities. The Group also recorded a significant decrease in the investment revaluation reserve in the amount of HK\$178.0 million in addition to impairment losses recognised on certain available-for-sale securities.

Certain securities were pledged to the financial institution to secure margin and securities facilities granted to the Group in respect of securities and derivatives transactions. As at 30 June 2016, these facilities were not utilised by the Group.

(III) Liquidity and Financial Resources

As at 30 June 2016, the Group had bank balances and deposits in the amount of HK\$2,289.0 million. The Group did not have any debts outstanding as at 30 June 2016 and 31 December 2015. Except for the Group's bank deposits denominated in foreign currencies other than the United States dollars, the Group's major sources of income and major assets are denominated in Hong Kong dollars.

(IV) Employees

The Group has 536 employees. Employees are remunerated according to job nature and market trends, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. Apart from provident fund schemes and medical insurance, discretionary bonuses and employee share options are awarded to employees of the Group at the discretion of the directors, depending upon the financial performance of the Group. Total staff costs for the first six months amounted to HK\$82.8 million.

CORPORATE GOVERNANCE CODE

Throughout the accounting period covered by the interim report, the Company complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out within Appendix 14 to the Main Board Listing Rules (the “Listing Rules”) save for the deviation described below.

The Company has no formal letters of appointment for directors except the managing director setting out the key terms and conditions of their appointment, and has therefore deviated from D.1.4 of the CG Code. This notwithstanding, every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by directors and by relevant employees (within the meaning of the CG Code) no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out within Appendix 10 to the Listing Rules.

All directors confirmed that they had complied with the required standard set out within the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the period.

On behalf of the board
Yeung Hin Chung, John
Managing Director

Hong Kong, 25 August 2016

As at the date hereof, the board of directors of the Company comprises Cheung Chung Kiu, Yeung Hin Chung, John, Yuen Wing Shing, Wong Chi Keung, Leung Wai Fai and Tung Wai Lan, Iris who are executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.