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SOUNDWILL HOLDINGS LIMITED

(金朝陽集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2016	2015
Revenue	HK\$1,628 million	HK\$540 million
Profit before income tax expense excluding net gain/(loss) on fair value adjustments	HK\$481 million	HK\$350 million
Net gain/(loss) on fair value adjustments on investment properties	HK\$2,622 million	HK\$(327) million
Profit before income tax expense	HK\$3,103 million	HK\$23 million
Profit/(Loss) attributable to owners of the Company	HK\$2,825 million	HK\$(53) million
Basic earnings/(loss) per share	HK\$9.97	HK\$(0.18)
Dividend per share		
– proposed final dividend	HK\$0.2	HK\$0.2
– proposed special dividend	HK\$1.0	–
	At	At
	31 December	31 December
	2016	2015
Total assets	HK\$22.3 billion	HK\$20.0 billion
Net assets	HK\$19.0 billion	HK\$16.5 billion
Total borrowings	HK\$1.7 billion	HK\$2.1 billion
Gearing ratio	9%	13%
Net asset value per share	HK\$67.1	HK\$57.9

* For identification purpose only

RESULTS

The board of directors (the “Board”) of Soundwill Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016 with comparative figures for the previous year as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

	Notes	2016 HK\$'000	2015 HK\$'000
Revenue	2	1,627,921	540,491
Cost of sales		<u>(854,226)</u>	<u>(23,082)</u>
Gross profit		773,695	517,409
Other income	2	32,449	46,474
Selling expenses		(30,969)	(43,809)
Administrative expenses		(183,914)	(176,060)
Other operating expenses		(39,107)	(4,379)
Loss on disposal of a joint venture		–	(16,961)
Loss on disposal of investment properties		–	(3,195)
Gain on disposal of subsidiaries		36,870	69,367
Provision for impairment loss on properties under development		(74,818)	–
Net gain/(loss) on fair value adjustments on investment properties		2,621,740	(326,954)
Finance costs	4	<u>(32,753)</u>	<u>(38,817)</u>
Profit before income tax expense	5	3,103,193	23,075
Income tax expense	6	<u>(242,483)</u>	<u>(67,172)</u>
Profit/(Loss) for the year		<u><u>2,860,710</u></u>	<u><u>(44,097)</u></u>

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000
Other comprehensive income, net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
(Deficit)/Surplus on revaluation of leasehold buildings, net of deferred tax		(916)	2,457
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange loss on translation of financial statements of foreign operations		(30,765)	(33,637)
Release of exchange reserve upon disposal of subsidiaries		–	2,610
Other comprehensive income for the year, net of tax		(31,681)	(28,570)
Total comprehensive income for the year		<u>2,829,029</u>	<u>(72,667)</u>
Profit/(Loss) for the year attributable to:			
Owners of the Company		2,824,747	(52,604)
Non-controlling interests		35,963	8,507
		<u>2,860,710</u>	<u>(44,097)</u>
Total comprehensive income for the year attributable to:			
– Owners of the Company		2,793,241	(78,684)
– Non-controlling interests		35,788	6,017
		<u>2,829,029</u>	<u>(72,667)</u>
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company during the year			
	7		
Basic		<u>HK\$9.97</u>	<u>HK\$(0.18)</u>
Diluted		<u>HK\$9.97</u>	<u>HK\$(0.18)</u>

Consolidated Statement of Financial Position

As at 31 December 2016

	<i>Notes</i>	2016 HK\$'000	2015 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		17,794,052	15,610,480
Property, plant and equipment		112,118	116,356
Properties held for development		18,026	19,271
Available-for-sale financial assets		10	10
Loan receivables	8	7,655	–
Goodwill		–	–
		<hr/> 17,931,861	<hr/> 15,746,117
Current assets			
Properties under development		2,617,495	3,265,104
Trade and other receivables	8	135,119	144,978
Deposits paid for acquisition of properties		15,203	13,505
Bank deposit at escrow account		51,121	346,044
Cash and bank balances		1,592,375	374,153
		<hr/> 4,411,313	<hr/> 4,143,784
Assets of a disposal group classified as held for sale		–	73,079
		<hr/> 4,411,313	<hr/> 4,216,863
Current liabilities			
Trade and other payables	9	488,308	460,106
Deposits received in advance	10	864,457	734,637
Borrowings	11	1,694,220	2,137,050
Provision for income tax		144,120	22,707
		<hr/> 3,191,105	<hr/> 3,354,500
Liabilities of a disposal group classified as held for sale		–	370
		<hr/> 3,191,105	<hr/> 3,354,870
Net current assets		<hr/> 1,220,208	<hr/> 861,993
Total assets less current liabilities		<hr/> 19,152,069	<hr/> 16,608,110
Non-current liabilities			
Deferred tax liabilities		149,368	76,953
		<hr/> 149,368	<hr/> 76,953
Net assets		<hr/> 19,002,701	<hr/> 16,531,157

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
EQUITY			
Equity attributable to owners of the Company			
Share capital		28,331	28,535
Reserves		<u>18,942,685</u>	<u>16,224,948</u>
		18,971,016	16,253,483
Non-controlling interests		<u>31,685</u>	<u>277,674</u>
Total equity		<u><u>19,002,701</u></u>	<u><u>16,531,157</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

1.1 Adoption of revised/amended HKFRSs – effective 1 January 2016

In the current year, the Company and the Group have applied for the first time the following revision and amendments to standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2016:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative

Except as explained below, the adoption of these amendments has no material impact on the Group’s financial statements.

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

Included in the clarifications is that an entity’s share of other comprehensive income from equity accounted interests in associates and joint ventures is split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

The adoption of the amendments has no impact on these financial statements.

1.2 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.

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions ²
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases 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 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

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 continue to be permitted.

Except as explained below, the directors of the Company (the “Director”) anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group’s financial statements.

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.

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 of fair value.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with customers

The amendments to HKFRS 15 includes clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantify the potential effects on the Group’s financial statements.

2. REVENUE AND OTHER INCOME

An analysis of the Group's revenue from its principal activities and other income is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue		
Property development		
– Sales of properties under development	1,112,319	10,459
Property leasing		
– Rental and signage rental income	498,768	514,934
Building management and other services		
– Property repairs and maintenance service income	6,258	5,895
– Building management service income	10,576	9,203
	<hr/> 1,627,921 <hr/>	<hr/> 540,491 <hr/>
Other income		
Bank interest income	8,599	11,469
Reversal of provision for impairment loss on deferred and contingent consideration	13,195	27,685
Miscellaneous income	10,655	7,320
	<hr/> 32,449 <hr/>	<hr/> 46,474 <hr/>
Total revenue and other income	<hr/> 1,660,370 <hr/>	<hr/> 586,965 <hr/>

3. SEGMENT REPORTING

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major business lines.

The Group has identified the following reportable segments:

Property assembly business	:	Properties assembly and sales of properties
Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and provision of office facilities and services
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating segments is managed separately as each of the business lines requires different resources as well as operating approaches.

The reporting segment results exclude finance costs, net gain/(loss) on fair value adjustments on investment properties, gain on disposal of subsidiaries, income taxes and unallocated income and expenses which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segments.

The revenue of others segment represents the management and service fee income received from fellow subsidiaries.

Segment assets include investment properties, property, plant and equipment, properties under development, properties held for development, loans and receivables and operating cash and mainly exclude available-for-sale financial assets which are not directly attributable to the business activities of any operating segment.

Segment liabilities comprise operating liabilities and exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Corporate liabilities include provision for income tax, deferred tax liabilities and corporate borrowings.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Property assembly business		Property development		Property leasing		Building management and other services		Others		Total	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue												
External customers	-	-	1,112,319	10,459	498,768	514,934	16,834	15,098	-	-	1,627,921	540,491
Inter-segments	-	-	98,637	87,701	469	23,094	5,808	4,313	35,929	32,316	140,843	147,424
Reportable segment revenue	-	-	1,210,956	98,160	499,237	538,028	22,642	19,411	35,929	32,316	1,768,764	687,915
Reportable segment profit/(loss)	-	-	74,681	(84,600)	393,541	402,963	10,051	8,134	41,691	60,383	519,964	386,880
Bank interest income	-	-	1,617	4,308	358	3,534	5	1	6,619	3,626	8,599	11,469
Depreciation	-	-	(284)	(334)	(1,515)	(3,080)	(4)	(6)	-	(944)	(1,803)	(4,364)
Amortisation of properties held for development	-	-	(479)	(687)	-	-	-	-	-	-	(479)	(687)
Reversal of provision for impairment loss on the deferred and contingent consideration	-	-	-	-	-	-	-	-	13,195	27,685	13,195	27,685
Provision for impairment loss on trade receivables	-	-	-	-	(724)	(3,856)	-	-	-	-	(724)	(3,856)
Provision for impairment loss on other receivables	-	-	(34,012)	-	-	-	-	-	(5,450)	-	(39,462)	-
Reversal of provision for impairment loss on trade receivables	-	-	-	-	1,274	-	-	-	-	-	1,274	-
Provision for impairment loss on properties under development	-	-	(74,818)	-	-	-	-	-	-	-	(74,818)	-
Reportable segment assets	-	-	2,952,620	3,535,796	17,988,998	15,537,298	28,429	17,877	1,373,117	871,999	22,343,164	19,962,970
Additions to non-current segment assets during the year	-	-	11	204	225,447	249,703	-	-	-	32	225,458	249,939
Reportable segment liabilities	-	-	(1,129,903)	(1,047,860)	(182,590)	(113,514)	(10,543)	(6,964)	(29,729)	(26,775)	(1,352,765)	(1,195,113)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Reportable segment revenue	1,768,764	687,915
Elimination of inter-segment revenue	(140,843)	(147,424)
Revenue	<u>1,627,921</u>	<u>540,491</u>
Reportable segment profits	519,964	386,880
Net gain/(loss) on fair value adjustments on investment properties	2,621,740	(326,954)
Unallocated income and expenses	(42,628)	(47,245)
Finance costs	(32,753)	(38,817)
Loss on disposal of investment properties	–	(3,195)
Gain on disposal of subsidiaries	36,870	69,367
Loss on disposal of a joint venture	–	(16,961)
Profit before income tax	<u>3,103,193</u>	<u>23,075</u>
Reportable segment assets	22,343,164	19,962,970
Available-for-sale financial assets	10	10
Group assets	<u>22,343,174</u>	<u>19,962,980</u>
Reportable segment liabilities	1,352,765	1,195,113
Borrowings	1,694,220	2,137,050
Provision for income tax	144,120	22,707
Deferred tax liabilities	149,368	76,953
Group liabilities	<u>3,340,473</u>	<u>3,431,823</u>

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	Revenue from		Non-current assets	
	2016	2015	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Principal markets				
Hong Kong (domicile)	1,619,574	530,032	17,891,100	15,703,918
People's Republic of China* ("PRC")	8,347	10,459	33,096	42,189
	<u>1,627,921</u>	<u>540,491</u>	<u>17,924,196</u>	<u>15,746,107</u>

* For reporting purpose, People's Republic of China excludes Hong Kong, Taiwan and Macau.

The geographical location of customers is based on the location at which the goods/services were delivered/rendered. The geographical location of non-current assets is based on the physical location of the assets.

For the year ended 31 December 2016, the Group did not derive more than 10% of the Group's total revenue from any single customer. For the year ended 31 December 2015, there were two customers from the Group's property leasing segment, each of whom contributed approximately 19% and 18% of the Group's total revenue. Revenue derived from these two customers for the year ended 31 December 2015 amounted to approximately HK\$104,110,000 and HK\$96,200,000 respectively.

4. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest charges on:		
Bank loans	34,183	40,211
Other borrowings – wholly repayable within five years	2,589	3,993
	<hr/>	<hr/>
Total borrowing costs	36,772	44,204
Less: Interest capitalised on investment properties	(4,019)	(5,387)
	<hr/>	<hr/>
	32,753	38,817
	<hr/> <hr/>	<hr/> <hr/>

For the years ended 31 December 2016 and 2015, interest on bank loans which contain a repayment on demand clause amounted to HK\$34,183,000 and HK\$40,211,000 respectively.

5. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Amortisation of properties held for development	479	687
Auditor's remuneration	3,054	4,346
Bad debts written off*	195	501
Cost of properties under development recognised as expenses	839,912	5,309
Depreciation of property, plant and equipment	1,803	4,364
Employee compensation expenses (including directors' remuneration and defined contribution cost)		
– share option expenses	10	1,830
– other employee benefit expenses	132,379	129,584
	<hr/>	<hr/>
	132,389	131,414
Loss on disposal of property, plant and equipment*	–	22
Operating lease charges in respect of office premises	1,312	1,129
Provision for impairment loss on trade receivables*	724	3,856
Reversal of provision for impairment loss on trade receivables*	(1,274)	–
Provision for impairment loss on other receivables*	39,462	–
Gross rental income from investment properties	(498,768)	(514,934)
Less: Direct operating expense arising from investment properties that generated rental income	33,025	29,596
Less: Direct operating expense arising from investment properties that did not generated rental income	1,290	526
	<hr/>	<hr/>
	(464,453)	(484,812)
	<hr/> <hr/>	<hr/> <hr/>

* included in other operating expenses

6. INCOME TAX EXPENSE

	2016 HK\$'000	2015 HK\$'000
Hong Kong profits tax		
Tax for the year (<i>note (a)</i>)	165,285	50,514
Under-provision in prior years (<i>note (b)</i>)	3,706	9,726
	<u>168,991</u>	<u>60,240</u>
PRC Enterprise Income Tax – Tax for the year (<i>note (c)</i>)	–	613
Deferred tax charge	73,492	6,319
	<u>242,483</u>	<u>67,172</u>

Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year.
- (b) For the year ended 31 December 2015, the underprovision of tax arisen from bank interest expenses from 2008 to 2013 which were disallowed for tax purposes by Hong Kong Inland Revenue Department.
- (c) For the year ended 31 December 2016, all of the Group's PRC subsidiaries were subject to PRC Enterprise Income Tax rate of 25% (2015: 25%).

7. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share of the Company is based on the profit for the year attributable to owners of the Company of HK\$2,824,747,000 (2015: loss of HK\$52,604,000) and the weighted average number of ordinary shares of 283,396,360 (2015: 284,366,184) in issue during the year.

There are no dilutive potential shares for the year ended 31 December 2016.

No adjustment has been made to basic loss per share amount presented for the year ended 31 December 2015 in respect of the diluted loss per share as the impact of share options had an anti-dilutive on the basic loss per share.

8. TRADE AND OTHER RECEIVABLES

Trade receivables had credit terms of the Group ranging from 30 to 90 days. Based on the invoice dates, the aging analysis of trade receivables was set out below:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 – 30 days	10,710	3,631
31 – 90 days	5,384	3,048
91 – 180 days	6,366	1,739
Over 180 days	1,615	1,229
	<hr/>	<hr/>
Total trade receivables, net	24,075	9,647
Loan receivables (note)	7,850	–
Other receivables, utility deposits and prepayment, net of provision for impairment loss	110,849	135,331
	<hr/>	<hr/>
Total	142,774	144,978
	<hr/>	<hr/>
Less: non-current portion	(7,655)	–
	<hr/>	<hr/>
	135,119	144,978
	<hr/> <hr/>	<hr/> <hr/>

Note:

At 31 December 2016, loan receivables included amounts of HK\$7,850,000 which are secured, interest-bearing at Hong Kong Dollar Best Lending Rate minus 2% per annum, for the first 36 months from the date of loan drawdown and thereafter at the Hong Kong Dollar Best Lending Rate (2015: Nil). The loans were repayable in 360 monthly instalments with the final instalment payable in 2046.

The current portion of HK\$195,000 (2015: Nil) which is expected to be recovered within one year is included in “Trade and other receivables” under current assets while the balance of HK\$7,655,000 (2015: Nil) is included under non-current assets.

9. TRADE AND OTHER PAYABLES

Trade payable had granted by its suppliers with credit periods ranging from 30 to 60 days. Based on the invoice dates, the aging analysis of trade payables was set out below:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 – 30 days	2,472	1,887
31 – 90 days	1,105	979
Over 90 days	3,767	2,651
	<hr/>	<hr/>
Total trade payables	7,344	5,517
Other payables	480,964	454,589
	<hr/>	<hr/>
	488,308	460,106
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10. DEPOSITS RECEIVED IN ADVANCE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Deposits received in advance associated with pre-sale of properties under development situated at:		
– Hong Kong	560,500	707,727
– PRC	303,957	26,910
	864,457	734,637

11. BORROWINGS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Bank loans – secured	1,694,220	2,137,050
Carrying amount repayable based on the scheduled repayment dates set out in the loan agreements:		
Within one year	516,100	809,130
More than one year, but not exceeding two years	481,420	149,800
More than two years, but not exceeding five years	696,700	1,178,120
	1,694,220	2,137,050
Carrying amount of bank loans due for repayment after one year which contain a repayment on demand clause (shown under current liabilities)	1,178,120	1,327,920

As at 31 December 2016, bank loans are secured by certain investment properties and property, plant and equipment of the Group with a total carrying value of approximately HK\$13,235,980,000 (2015: HK\$12,404,739,000).

12. EVENT AFTER THE REPORTING PERIOD

On 2 March 2017, the Group entered into a provisional agreement with an independent third party for the acquisition of a property, whole building of Kai Kwong Commercial Building situated at No.332-334 Lockhart Road, Wan Chai, Hong Kong at a total consideration of HK\$410,000,000. The acquisition is expected to be completed on or before 19 May 2017.

OPERATIONS REVIEW AND PROSPECTS

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During the year under review, a string of events have impacted the global economy and geopolitical situation. Among them were US interest rate hikes, Brexit and uncertainty around the new US administration's economic policy and agenda. These factors have further complicated the situation and rendered the global economic outlook volatile. However, global financial markets have calmed in light of moderate interest rate increases and sufficient flow of capital. The markets have now found their feet after coming to terms with the various disruptive factors at play.

Back at home, Hong Kong's economy has gradually returned to a path of growth. The local residential market has improved markedly recently with an increase in transaction volume and growth in homebuyer confidence, following an around six months period of adjustment. However, transaction volume remained relatively low by historical standards as a result of the Government's introduction of demand-side management measures. But the overall demand for housing was bolstered by a number of positive factors, including low interest rate, high levels of marriage and growing their household income. All of these elements have served to sustain the property market.

Spending patterns of tourists from Mainland China changed considerably over the last year, largely because of the depreciation of the Renminbi. Consequently, the retail sector underwent a period of adjustment. While the leasing business at the premises under the Group is not unaffected by external conditions, our professional staff worked hard to come up with marketing and promotional programmes to drive footfall and sales at the malls. The rental rates were supported by the low vacancy rate as well as the increase in market demand. The Group was able to reap results from the leasing business in the year under review as occupancy rates remained high.

As for the property business, THE SHARP situated at 11-13 Sharp Street East and 1-1A Yiu Wah Street, Causeway Bay has been completed with revenue booked since March 2016.

Thanks to the goodwill of the brand and the professional sales team, buyers retain strong confidence in the Group. The team's creative and innovative ideas, and savvy market sense have helped tap more opportunities for the Group, maximizing efficiency in the use of limited land resources.

Property Portfolio

For the year ahead, the Group actively acquired old properties in various areas on Hong Kong Island, while taking advantage of opportune times to purchase premium properties. It also continued to increase investment in projects with high appreciation potential in order to broaden and enhance the quality of its property portfolio. Moreover, the Group remained committed to revitalising the environment of the areas in which the Group's properties are located, raised the quality of its properties and offered support to both new and existing owners.

In order to fully capitalise on business opportunities in the Hong Kong market, the Group focused on multiple areas with high potential investment value. The Group actively participated in urban redevelopment and other high-quality projects and will continue to selectively acquire parcels of land through various channels to expand its market share.

The Group also looked for sites with high potential outside of Hong Kong Island in order to replenish its land reserves at a reasonable cost. Additionally, the Group continued to prudently assess its investment property portfolio and retain projects with high appreciation potential for the Group's own construction and development in order to increase earnings.

105–113 TA CHUEN PING STREET, KWAI CHUNG

This project is located on 105–113 Ta Chuen Ping Street, Kwai Chung, with a gross floor area of approximately 190,000 square feet.

57 KIN WAH STREET AND 66 FORT STREET, NORTH POINT

This project is located on 57 Kin Wah Street and 66 Fort Street, North Point, with a total gross floor area of approximately 30,000 square feet.

71–75 CHAI WAN KOK STREET, TSUEN WAN

This project is located on 71–75 Chai Wan Kok Street, Tsuen Wan with a gross floor area of approximately 114,000 square feet.

Property Assembly Business

The Group has been capturing business opportunities in the local market through property assembly and the acquisition of old buildings. In this business, the Group sought to acquire land reserves with high appreciation potential at a reasonable cost and retained projects with strong potential for its own development purposes.

Meanwhile, the continuous dampening measures enacted by the government to cool down the property market has, to certain extent, slowed down the pace of the Group's property assembly business. Nevertheless, the Group will continue to source quality land sites for acquisition in the long run to maintain a consistent acquisition and development strategy.

Property Leasing

For the year ended 31 December 2016, this business segment recognised revenue of approximately HK\$498,768,000 (2015: HK\$514,934,000), representing 31% (2015: 95%) of the Group's total revenue for the year.

Despite the sluggish retail market trends, the Group has relentlessly continued to upgrade the quality of its premises by undertake renovation programmes regularly. We constantly review the tenant mix to ensure it caters to the latest trends of consumers' spending patterns. With the various well-thought out marketing and promotional campaigns executed by the team to attract footfall and business, the sales performance of the vendors at major premises under the Group recorded steady growth.

SOUNDWILL PLAZA

Soundwill Plaza is located on No. 38 Russell Street in the heart of Causeway Bay. It generated promising results for the year. Occupancy levels remained high, and steady rental income was recorded.

MIDTOWN

Soundwill Plaza II — Midtown is a 31-storey building located on 1 Tang Lung Street in Causeway Bay, reported stable results in both footfall and sales since opening in 2014. We will step up efforts to bring in more trend-setting eateries and vendors to the mall to keep the occupancy rate high. Midtown is poised to become a popular landmark for food & beverage and leisure activities in Causeway Bay.

10 KNUTSFORD TERRACE

The 23-storey 10 Knutsford Terrace property is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, one of the most prominent tourist and retail districts in Hong Kong and maintained a high occupancy rate in the year under review.

The Group optimised and expanded its investment property portfolio in Hong Kong in a timely manner. Its portfolio has the geographical advantage of being located in core tourist and retail districts to meet the needs of a variety of retail tenants. The versatile tenant combination will continue to generate impressive returns for the leasing business.

Property Development

For the year ended 31 December 2016, this business segment recognised revenue of approximately HK\$1,112,319,000 (2015: HK\$10,459,000), representing 68% (2015: 2%) of the Group's total revenue for the year.

In 2016, riding on the increased demand for small and medium-sized residential and industrial units, the Group allocated a portion of land reserves with potential for the development of a number of premium boutique and high quality industrial projects. Leveraging the advantage of these prestigious and prime locations, the Group has successfully established a reputation for quality in the market.

Residential Projects

COHO

The Group's residential development project COHO, located on 18 School Street, Tai Hang, comprises 46 units with two units per floor. The project includes a total of 44 standard units and 2 special units with a flat roof, together with a 24-hour clubhouse.

JONES HIVE

The Group jointly developed Jones Hive, a residential project located on 8 Jones Street, Tai Hang, with Henderson Land Development Company Limited. The project was expected to be delivered in the second half of 2017, when it will provide 119 units with a saleable area ranging from 328 to 558 square feet.

PARK HAVEN

Park Haven, a major residential development project of the Group, is located at 38 Haven Street, Causeway Bay. The project provides approximately 190 residential units ranging in size from about 510 to 1,154 square feet. A total of 174 units have been sold. The project was completed in the fourth quarter of 2014, and revenue was booked accordingly.

WARRENWOODS

WarrenWoods, the Group's luxurious landmark residential project, is located on 23 Warren Street, Tai Hang. The project provides 163 residential units in total and was delivered at the end of 2012.

Commercial Project

THE SHARP

Situated on 11–13 Sharp Street East and 1–1A Yiu Wah Street in Causeway Bay, THE SHARP is an integrated commercial property project combining retail and office spaces. The Group has retained shops from the ground floor to the second floor for leasing. Delivery of different floors of the project commenced in March 2016.

Industrial Projects

iPLACE

The iPLACE industrial project, located on 301–305 Castle Peak Road, Kwai Chung, went on sale in the first half of 2015. The entire project provides 322 workshops in total. All units were sold out in a few months, meeting the Group's sales target.

105–113 TA CHUEN PING STREET, KWAI CHUNG

This industrial project is located on 105–113 Ta Chuen Ping Street, Kwai Chung, with a gross floor area of approximately 190,000 square feet. Demolition was completed at the end of 2015.

Property Management

For the year ended 31 December 2016, the property management segment recognised revenue of approximately HK\$16,834,000 (2015: HK\$15,098,000), representing 1% (2015: 3%) of the Group's total revenue for the year.

The Group's subsidiaries for property management and maintenance are engaged in the provision of high quality management, customer and maintenance services in large-scale commercial buildings, as well as in small and medium sized estates. These subsidiaries continuously introduced innovative services that raised overall service standards. With extensive experience in serving customers, the property management team successfully maintained the quality standards of the indoor environments under their care during the year, reduced waste and lowered the carbon footprint of the properties by employing energy-efficient measures.

The Concierge – a new French-style hotel management service

The Group launched The Concierge, a service modelled on hotel management services in France, at the Park Haven luxury residential project. As part of this approach to property management, the Group provided a wide range of value-added concierge, dining and catering, household maintenance, laundry and dry cleaning services as well as home and car cleaning referral services. Through this premium, comprehensive array of personal services, the Group aims to provide a high quality lifestyle for the enjoyment of its tenants.

Customer Services

The Group also provided a comprehensive range of outstanding after-sales services following the delivery of units to their owners. The Group has set up a team dedicated to identifying relevant and appropriate services for newly-completed units as they were being occupied. To increase confidence, homeowners of the newly occupied properties are entitled to warranties covering repair and maintenance for the first two years.

To ensure each unit is in perfect condition, the team conducts several thorough inspections to ensure the highest standard of quality upon delivery to the owners. The handover team also offered a full range of attentive services during the handover period to ensure a smooth completion. Not only does this ensure the quality of the newly completed units, it also enables the Group to effectively collect opinions of homeowners directly. This new service offering also reflected the commitment of the Group's subsidiaries to provide property management services of the highest standard through continuous innovation.

Soundwill Club

Founded by the Group, Soundwill Club provides a platform for individuals with exceptional taste – including prospective property buyers, retail tenants and visitors to the Group’s properties – to exchange information about the latest in upscale lifestyle trends. Soundwill Club covers a wide variety of topics according to the preferences and interests of members. The Club also offers a wide range of superb services and activities for members, in keeping with its unwavering commitment to excellence.

Real Estate Business in PRC

For the year ended 31 December 2016, this business in Mainland China recognised revenue of approximately HK\$8,347,000 (2015: HK\$10,459,000).

During the year under review, China’s economic growth met market expectations. A series of stringent measures has become more stringent in light of fierce competition across the real estate market. The Group has kept pace with the market, and maintained reasonably good business growth.

The Group currently owns a number of real estate projects in the PRC. Shang Hui Hai An (The Lakeview Bay) is an integrated project wholly owned by the Group featuring villa and high-rise residences located in Gaoyao City, Zhaoqing. Occupation of the first phase of the project is under way, while the high-rise residences in Phase 2 are near construction, and sales of units are proceeding well.

In addition, the construction of the first and second phases of Yu Ming Du (Shan Shui Xiang Ri), a project located in Doumen District, Zhuhai, is nearing completion. Pre-sales of the project are expected to start within the year. Riding on the success of the first two phases, the pre-sales of the third phase has also been well-received. It is expected to be released to the market soon as the main construction work is being sped up has progressed more quickly than anticipated.

Corporate Citizenship

The Group sets ever-higher benchmarks in terms of quality in order to create significant returns for stakeholders. Meanwhile, the Group undertakes socially responsible activities through supporting fund-raising events, promoting reading, sponsoring educational events and caring for the underprivileged, all of which give back to and positively impact society.

The Group has been honoured as a “Caring Company” by the Hong Kong Council of Social Service for many consecutive years. This is indicative of the corporate spirit of striving to proactively care for society. During the reporting period, the Group was also honoured with the 2016 Social Capital Builder Award issued by the Community Investment and Inclusion Fund of the Labour and Welfare Bureau, which praised the Group for its many years of embodying practicing the spirit of social capital and contributing to its growth in Hong Kong.

The Group's volunteer team actively participates in various community activities, such as the Little Bean Sprout Storytelling Sessions for the Family Storytelling – Neighbourhood Development Project hosted by the Hong Kong Outlying Islands Women's Association, which entails sharing stories with children in the Tung Chung community. By telling stories, the volunteer team helps to instil a positive and curious attitude in the schoolchildren. In addition, the volunteer team participates in the Pei Ho Counterparts community meal activities, helping to distribute free lunchboxes to people in need. Likewise the Food Angel volunteer activity, where the team help with pre-processing donated vegetables and packaged food. Furthermore, the Group's employees actively participate in the Green Day and Dress Casual Day held by the Hong Kong Community Chest. The money raised goes to local vulnerable groups, contributing to benevolent causes.

The Group has also taken the opportunity to support the arts. Over the years, Soundwill Plaza II – Midtown has actively participated in cooperation between arts organisations and corporate brands by organising different activities and providing a platform for local arts events. The Group also focuses on education, sponsoring and providing a venue for the academic society.

The Group remains firmly committed to operating as a socially-responsible company across all of its business operations and disclosing Environmental, Social and Governance Reporting during the year.

FINANCIAL REVIEW

Results of Operations

During the year, the Group recorded a revenue of approximately HK\$1,627,921,000 (2015: HK\$540,491,000), representing a significant increase as compared with last year. The increase in revenue was mainly due to the increase in income recorded from the property development projects.

Selling expenses mainly represents the sales commission paid for commercial building THE SHARP which is located in Causeway Bay and selling expenses paid for a residential project located at 8 Jones Street, Tai Hang during the year. Decrease in finance cost was mainly due to repayment of borrowings.

Furthermore, the increase in fair value of investment properties was mainly due to the revaluation gain of the Group's investment properties located in Hong Kong.

Profit/(Loss) Attributable to Owners of the Company

During the year, the Group has recorded a profit attributable to owners of the Company of approximately HK\$2,824,747,000 (2015: loss of HK\$52,604,000), a increase of 5,469% as compared with last year. This profit was mainly due to the increase in income recorded from the property development projects and increase in the net gain on fair value adjustments on investment properties during the year.

Net Assets

The net assets of the Group as at 31 December 2016 amounted to HK\$19,002,701,000 (2015: HK\$16,531,157,000). Net asset value per share as at 31 December 2016 was HK\$67.1 (2015: HK\$57.9).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2016, the Group's cash and bank balances amounted to HK\$1,592,375,000 (2015: HK\$374,153,000). Total borrowings of the Group amounted to HK\$1,694,220,000 (2015: HK\$2,137,050,000) as at 31 December 2016.

As at 31 December 2016, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% (2015: 13%).

The Group mainly operates and invests in Hong Kong and the PRC with most of the transactions denominated and settled in HK Dollars and Renminbi respectively. No foreign currency risk has been identified for the financial assets in the PRC as they were denominated in a currency which was the same as the functional currencies of the group entities to which these transactions relate.

During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are mainly denominated in Hong Kong Dollars and bear interest at floating rates.

PLEDGE OF ASSETS

As at 31 December 2016, certain investment properties, property, plant and equipment and properties under development of the Group with a total carrying value of approximately HK\$13,298,980,000 (2015: HK\$12,404,739,000) were pledged to secure banking facilities for the Group.

REVIEWED BY AUDIT COMMITTEE

The audited consolidated results of the Group for the year ended 31 December 2016 and the financial and accounting policies adopted by the Group have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF BDO LIMITED

The financial figures in this preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's auditor, BDO Limited and are in line with the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by 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 BDO Limited on this preliminary announcement.

CORPORATE GOVERNANCE

The Group places great significance on corporate integrity, business ethics and good governance. Coupled with the strong support of an excellent management team, we have established a highly effective Board of Directors to actively participate in investor relations activities.

The Group is committed to the practice of sound corporate governance. Efforts are made to maintain interactive communication with stakeholders including investors, analysts credit rating agencies and the media. We provide and disclose information relating to the Group's corporate strategy and latest business development. In order to ensure a high level of corporate transparency, the Company will distribute relevant corporate information to shareholders and other stakeholders in a timely manner. In addition, the Group will further strengthen its connection with global investors through frequent exchanges of views with investors at meetings and briefings.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Group believes that effective communication with shareholders is key for improving investor relations and will ultimately assist the investment community in understanding the Group's business performance and strategies. Through regular, comprehensive, and interactive communication, we strive to enhance communication with investors through various communication channels. These include in-person meetings, telephone conferences, overseas roadshows, and project-site visits organised for the community. The Group seeks to establish a trusting and productive relationship with its shareholders and investors. The annual general meeting of the Company was held in May 2016. The Group organised briefings and media interviews for results announcements and maintained regular contact with the media through press releases, announcements, and other promotional materials. The Group is committed to enhancing corporate transparency and providing timely disclosure of information on the Group's developments to help shareholders and investors make informed investment decisions. The Group is dedicated to enhancing corporate governance practices on business growth and strives to attain a balance between corporate governance requirements and performance. The Board of Directors believes that sound corporate governance is essential to the success of the Group and will enhance shareholders value.

PROSPECTS

2017 is expected to be a year of challenges. The global economy is moving away from the gloomy and slow recovery of last year which was overshadowed by the aftershocks of Brexit, geopolitical tension in many parts of the world and monetary policy divergence among major central banks. This may weigh on the global economy and financial stability.

Asia is set to remain a mainstay supporting global economic growth as countries in the region look to increase domestic consumption. Economic reforms and the on-going acceleration of infrastructure projects are set to create new momentum for stable growth.

A number of favourable conditions, including low interest rates, an increasing demand from investors and home buyers and the overall demand for commercial and industrial properties will support Hong Kong's property market, one that should enjoy healthy growth. Moreover, inbound tourism has improved recently, with fresh growth in the number of visitors, favourable conditions in the job market have bolstered consumer confidence in the recent past.

We maintain a cautious approach regarding the overall business outlook. After taking various detrimental factors into consideration, our assessment is that it will not pose any immediate negative effects on our business. We will monitor the situation closely and will make necessary adjustments in due course.

A range of external uncertainties lie ahead in 2017. The Group will continue to champion the long-term interests of its shareholders and continue its plan to expand its land reserves through a variety of means. It will also prudently pursue its business development and launch new projects at the most appropriate opportunities. The Group has established a solid investment portfolio in Hong Kong, built on a solid foundation by a seasoned professional team who are ready to manoeuvre in all situations and weather any storms. We will continue to seize opportunities and rise to the challenge of achieving sustainable growth.

EMPLOYEES REMUNERATION

The Group had 344 and 81 employees in Hong Kong and PRC respectively as at 31 December 2016 (2015: 289 and 84 employees). Employees were remunerated on the basis of their performance, experience and prevailing market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2016, if excluding share option expenses of approximately HK\$10,000 (2015: HK\$1,830,000) were approximately HK\$132,379,000 (2015: HK\$129,584,000).

DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.20 (2015: HK\$0.20) per share and a special dividend of HK\$1.00 (2015: Nil) per share for the year ended 31 December 2016, subject to the approval of the shareholders at the forthcoming annual general meeting to be held on 17 May 2017. The final and special dividend will be payable on or about Thursday, 8 June 2017 to shareholders whose names appear on the register of members on Thursday, 25 May 2017.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Friday, 12 May 2017 to Wednesday, 17 May 2017 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Thursday, 11 May 2017.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

For determining the entitlement to the proposed final and special dividend for the year ended 31 December 2016, the register of members of the Company will be closed from Tuesday, 23 May 2017 to Thursday, 25 May 2017 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the final and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Monday, 22 May 2017.

CONTINGENT LIABILITIES

During the course of business, certain bank accounts were opened and held in the name of certain subsidiaries on behalf of third parties to whom these subsidiaries provided building management services. As at the reporting date, those bank balances which were held on behalf of third parties and were not accounted for in the financial statements of the Group amounted to HK\$37,271,000 (2015: HK\$27,492,000).

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

The Company is empowered by the applicable laws of Bermuda and bye-laws of the Company (the "Bye-laws") to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the year ended 31 December 2016, the Company had repurchased a total of 2,039,000 shares of HK\$0.10 each on the Stock Exchange at an aggregate consideration paid of HK\$19,056,064. All of the repurchased shares were subsequently cancelled in January and February 2016. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of shares	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration paid <i>HK\$</i>
January 2016	2,039,000	10.20	8.69	19,056,064

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year ended 31 December 2016 except that:

(1) Code Provision A.2.1

Code Provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Madam Foo Kam Chu Grace is the founder and Chairman of the Group. She is responsible for the Group's overall development direction and strategies. The Chairman ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive Directors, the management and various department heads. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

(2) Code Provision A.4.1

Code Provision A.4.1 of the CG Code provides that non-executive Directors should be appointed for a specific term.

The non-executive Directors are not appointed for a specific term as they are subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors’ securities transactions.

The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standard of dealing as set out in the Model Code during the year under review.

APPRECIATION

As a final note, I wish to take this opportunity to thank the Directors and staff for their contributions and good performance in the past financial year.

By Order of the Board
Soundwill Holdings Limited
Foo Kam Chu Grace
Chairman

Hong Kong, 23 March 2017

As at the date of this announcement, the Board of Directors of the Company comprises (i) Executive Directors: Foo Kam Chu Grace, Chan Wai Ling and Kong Siu Man Kenny; and (ii) Independent Non-Executive Directors: Chan Kai Nang, Pao Ping Wing and Ng Chi Keung.