

General Announcement::Announcement by Subsidiary Company, City e-Solutions Limited

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
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Announcement Details

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Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the announcement issued by City e-Solutions Limited on 24 February 2016 relating to the Audited Consolidated Results for the Year Ended 31 December 2015.
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City e-Solutions Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 557)

2015 FINAL RESULTS — ANNOUNCEMENT AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The directors (the “Directors”) of City e-Solutions Limited (the “Company”) announce the following audited consolidated results of the Company and its subsidiaries, joint arrangements and associates (the “Group”) for the year ended 31 December 2015 (“FY2015”) together with comparative figures.

Consolidated Statement of Profit or Loss
for the year ended 31 December 2015

		2015	2014
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	2	92,207	100,130
Cost of sales		<u>(18,175)</u>	<u>(18,457)</u>
Gross profit		74,032	81,673
Other net losses	3	(25,316)	(559)
Administrative expenses	4	<u>(96,720)</u>	<u>(105,383)</u>
Loss from operating activities		(48,004)	(24,269)
Finance costs	5	(1,542)	(1,582)
Share of profit of a joint venture		1,008	1,489
Share of profit of associates		<u>202</u>	<u>884</u>
Loss before taxation		(48,336)	(23,478)
Income tax (expense)/credit	6	<u>(13,638)</u>	<u>4,964</u>
Loss for the year	7	<u><u>(61,974)</u></u>	<u><u>(18,514)</u></u>
Attributable to:			
Equity shareholders of the Company		(55,067)	(18,978)
Non-controlling interests		<u>(6,907)</u>	<u>464</u>
Loss for the year		<u><u>(61,974)</u></u>	<u><u>(18,514)</u></u>
Earnings per share		<i>HK cents</i>	<i>HK cents</i>
Basic losses per share	8	<u><u>(14.40)</u></u>	<u><u>(4.96)</u></u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2015

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(61,974)	(18,514)
Other comprehensive income for the year (after taxation):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	(306)	206
Exchange differences on monetary item forming net investment in a foreign operation	(31)	(18)
Reclassification adjustment of exchange differences to profit or loss on striking-off of subsidiary	(2,779)	—
Total comprehensive income for the year	<u>(65,090)</u>	<u>(18,326)</u>
Attributable to:		
Equity shareholders of the Company	(58,131)	(18,802)
Non-controlling interests	(6,959)	476
Total comprehensive income for the year	<u>(65,090)</u>	<u>(18,326)</u>

Consolidated Statement of Financial Position
as at 31 December 2015

	2015	2014
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	43,351	41,904
Intangible assets	8,167	10,873
Goodwill	8,934	8,942
Available-for-sale financial assets	32,985	33,016
Long term bank deposits	3,797	9,780
Interest in associates	8,322	8,880
Deferred tax assets	10,183	24,632
Total non-current assets	115,739	138,027
Current assets		
Trading securities	87,498	111,197
Trade and other receivables	32,507	30,274
Short term bank deposits	5,974	17,101
Current tax recoverable	2,681	4,630
Cash and cash equivalents	365,481	372,824
	<u>494,141</u>	<u>536,026</u>
Current liabilities		
Trade and other payables	(29,461)	(29,924)
Interest-bearing borrowings	(899)	(969)
Provision for taxation	(22)	—
	<u>(30,382)</u>	<u>(30,893)</u>
Net current assets	463,759	505,133
Total assets less current liabilities	579,498	643,160

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current liabilities			
Dividends received in excess of earnings from equity-method accounted joint venture		(19,487)	(17,256)
Interest-bearing borrowings	13	(29,591)	(30,394)
		(49,078)	(47,650)
NET ASSETS		530,420	595,510
CAPITAL AND RESERVES			
Share capital		382,450	382,450
Reserves		109,653	167,784
Total equity attributable to equity shareholders of the Company		492,103	550,234
Non-controlling interests		38,317	45,276
TOTAL EQUITY		530,420	595,510

Notes: -

1. Accounting policies

The annual results for the year ended 31 December 2015 have been prepared in accordance with the same accounting policies adopted by the Group as disclosed in the annual report for the year ended 31 December 2014, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out below.

The Hong Kong Institute of Certified Public Accountants has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKAS”) that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group’s financial statements:

- Amendments to HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to HKFRSs 2010-2012 Cycle*
- *Annual Improvements to HKFRSs 2011-2013 Cycle*

The adoption of the above amendments did not have any significant effect on the Group’s financial statements.

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

2. Segment reporting

Included in reportable segment revenue are dividend and interest income amounting to HK\$5.2 million (2014: HK\$5.9 million). 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 years ended 31 December 2015 and 2014 are set out below:

	Investment Holding		Hospitality		Total	
	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	1,860	3,379	87,034	94,267	88,894	97,646
Interest income	3,127	2,227	186	257	3,313	2,484
Reportable segment revenue	<u>4,987</u>	<u>5,606</u>	<u>87,220</u>	<u>94,524</u>	<u>92,207</u>	<u>100,130</u>
Reportable segment loss	<u>(31,178)</u>	<u>(13,970)</u>	<u>(17,158)</u>	<u>(9,508)</u>	<u>(48,336)</u>	<u>(23,478)</u>
Depreciation and amortisation	1	1	6,223	5,522	6,224	5,523
Net realised and unrealised valuation (loss)/gain on trading securities	(19,831)	6,755	(71)	(124)	(19,902)	6,631
Net realised and unrealised foreign exchange loss	(8,798)	(11,561)	(16)	—	(8,814)	(11,561)
Additions to non-current assets	27	—	5,069	2,823	5,096	2,823
Reportable segment assets	418,542	456,027	178,474	188,764	597,016	644,791
Reportable segment liabilities	6,278	9,629	73,160	68,914	79,438	78,543

Reconciliation of reportable segmental assets and liabilities

	2015	2014
	HK\$'000	HK\$'000
Assets		
Reportable segment assets	597,016	644,791
Deferred tax assets	10,183	24,632
Current tax recoverable	2,681	4,630
Consolidated total assets	<u>609,880</u>	<u>674,053</u>
Liabilities		
Reportable segment liabilities	79,438	78,543
Provision for taxation	22	—
Consolidated total liabilities	<u>79,460</u>	<u>78,543</u>

3. Other net losses

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net realised and unrealised foreign exchange loss	(8,814)	(11,561)
Net realised and unrealised valuation (loss)/gain on trading securities	(19,902)	6,631
Gain on striking-off a dormant subsidiary	2,779	—
(Loss)/Gain on disposal of property, plant and equipment	(100)	27
Miscellaneous proceeds	721	4,344
	<u>(25,316)</u>	<u>(559)</u>

4. Administrative expenses

Administrative expenses comprise mainly expenses incurred by the Group's Hospitality segment which includes expenses incurred by Sheraton Chapel Hill Hotel, North Carolina, U.S., a hotel jointly operated by the Group's subsidiary.

5. Finance costs

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of capitalised transaction costs	124	124
Interest expenses on borrowings	1,418	1,458
	<u>1,542</u>	<u>1,582</u>

6. Income tax expense/(credit)

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax - Overseas		
Provision for the year	(876)	(1,171)
Under-provision in respect of prior years	85	23
	<u>(791)</u>	<u>(1,148)</u>
Deferred tax		
Origination and reversal of temporary differences	13,964	(4,522)
Under-provision in respect of prior years	465	706
	<u>14,429</u>	<u>(3,816)</u>
Income tax expense/(credit)	<u>13,638</u>	<u>(4,964)</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year ended 31 December 2015. Taxation for overseas subsidiaries has been provided on estimated assessable profits at the rates of taxation ruling in the relevant countries.

The Company is exempted from taxation in the Cayman Islands for a period of twenty years from 1989 under the provisions of Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands. The tax concession was renewed for a further period of twenty years from 2 June 2009.

As at 31 December 2015, the Group has not recognised deferred tax assets in respect of tax losses of approximately HK\$55.6 million (2014: HK\$4.2 million) as it is not probable that there will be sufficient future taxable profits against which the Group can utilise the benefits. The tax losses do not expire under the current tax legislations.

7. Loss for the year

Loss for the year is arrived at after charging/(crediting):

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of property, plant and equipment	3,527	2,824
Amortisation of intangible assets	2,697	2,699
Operating lease charges – rental of properties	3,178	1,691
(Reversal)/Recognition of impairment loss on trade and other receivables	(380)	2,342
Dividend and interest income	(5,173)	(5,863)
	<u>(5,173)</u>	<u>(5,863)</u>

8. Earnings per share

a) Basic losses per share

The calculation of basic losses per share is based on loss attributable to ordinary equity shareholders of the Company of HK\$55.1 million (2014: HK\$19.0 million) and the weighted average number of ordinary shares of 382,449,524 (2014: 382,449,524) in issue during the year.

b) Diluted losses per share

Diluted losses per share are not applicable as there are no dilutive potential ordinary shares during the year.

9. Dividends

The Directors of the Company have resolved not to propose any final dividend for the year ended 31 December 2015 (2014: nil).

No interim dividend was paid for the year ended 31 December 2015 (2014: nil).

10. Goodwill

	<i>HK\$'000</i>
At 1 January 2014	8,937
Translation differences	5
	<hr/>
As at 31 December 2014	8,942
Translation differences	(8)
	<hr/>
As at 31 December 2015	<u>8,934</u>

11. Trade and other receivables

Included in trade and other receivables are third-party trade receivables (net of allowance for doubtful debts) with the following ageing analysis based on invoice date:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 1 month	7,849	9,493
1 to 3 months	7,074	4,173
3 to 12 months	2,666	1,729
	<hr/>	<hr/>
Total third-party trade receivables, net of allowance for doubtful debts	17,589	15,395
Other receivables and deposits	3,648	7,190
Amounts owing by affiliated companies, trade	4,714	1,094
	<hr/>	<hr/>
Loans and receivables	25,951	23,679
Prepayments	6,556	6,595
	<hr/>	<hr/>
	<u>32,507</u>	<u>30,274</u>

Trade receivables are due within 30 days from the date of billing. Receivables with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from its customers.

All trade and other receivables are expected to be recovered within one year. The amounts owing by affiliated companies are unsecured and interest-free, and are repayable upon demand.

12. Trade and other payables

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	7,516	512
Other payables and accrued charges	16,645	21,067
	<hr/>	<hr/>
	24,161	21,579
Deferred income	5,300	8,345
	<hr/>	<hr/>
	<u>29,461</u>	<u>29,924</u>

Trade and other payables, excluding deferred income, have the following ageing analysis based on due date:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Due within 1 month or on demand	18,358	11,596
Due 1 to 3 months	2,054	1,303
Due 3 to 12 months	3,749	8,680
	<u>24,161</u>	<u>21,579</u>

13. Interest-bearing borrowings

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Term loan (secured)	30,428	31,130
Finance lease liabilities	62	233
	<u>30,490</u>	<u>31,363</u>
Repayable:		
– Within 1 year	899	969
– After 1 year but within 2 years	873	907
– After 2 years but within 5 years	2,846	2,745
– After 5 years	25,872	26,742
	<u>29,591</u>	<u>30,394</u>
	<u>30,490</u>	<u>31,363</u>

The Group's term loan is secured by:

- a first priority mortgage of Sheraton Chapel Hill Hotel, its improvements, equipment and fixtures with a carrying amount of HK\$37.8 million (2014: HK\$38.3 million) as at 31 December 2015;
- assignments of all rights and benefits to sale, lease, agreements, trademarks and insurance proceeds in respect of Sheraton Chapel Hill Hotel;
- pledge of monies held in specific bank accounts of HK\$1.2 million (2014: HK\$2.0 million) as at 31 December 2015; and
- guarantee by Richfield Hospitality, Inc (“RHI”), an indirect subsidiary of the Group.

Covenant

The Group's banking facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2015, none of the covenants relating to drawn down facilities had been breached.

Non-recourse Carveout Guarantees

As of 31 December 2015, RHI and SWAN USA, Inc (the "Guarantors"), both being indirect subsidiaries of the Group, are guarantors for certain indebtedness relating to the Group's joint operation, joint venture and associate, as set out below:

- RHI is a guarantor of indebtedness of the term loan entered into by SWAN Carolina Investor, LLC and SFI Carolina TIC SPE, LLC for Sheraton Chapel Hill Hotel. The term guarantee expires on 6 May 2023.
- RHI and SWAN USA, Inc are guarantors of indebtedness of the term loan entered into by the Group's joint venture, Richfield Syracuse Hotel Partners, LLC. The term guarantee, which was originally due to expire on 1 February 2016, has been extended to 1 March 2016.
- RHI and SWAN USA, Inc are guarantors of indebtedness of the term loans entered into by RBH Mezz, LLC and Rich Burlington Hotel, LLC, which are underlying investments of S-R Burlington Partners, LLC. The term guarantees expire on 11 November 2017.

The above indebtedness are non-recourse in nature and the Group's liabilities are limited to the collaterals on which the individual loans are secured. The guarantees entered by the Guarantors provide the lender with recourse for any losses and expenses arising from specific acts such as fraud, misappropriation of rents and intentional damages. The obligations of the Guarantors are to the extent which the collaterals are insufficient to meet the lender's losses and expenses. These guarantees do not impose liability on the Guarantors for any other event such as the non-payment of loan by the borrower. The maximum potential liability of the Group under the guarantees is HK\$290.8 million as at 31 December 2015 (2014: HK\$296.6 million).

The management is of the view that the possibility of violating the above covenants and triggering any cash outflow within the scope of the above guarantees is remote. In addition, the above indebtedness are non-recourse in nature and the carrying amount of the individual collateral is in excess of its respective outstanding loan amount.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a net loss attributable to the equity shareholders of the Company of HK\$55.1 million for FY2015 as compared with a net loss attributable to the equity shareholders of the Company of HK\$19.0 million in the previous corresponding year. The higher loss was due mainly to the unrealised valuation losses from the Group's securities holding as at 31 December 2015 and the reduction of the Group's deferred tax assets following an assessment of the availability of future taxable profit against which the tax losses can be utilised.

The Group's Investment Holding segment recorded net realised and unrealised valuation loss of HK\$19.8 million from the Group's securities holding as at 31 December 2015. Net realised and unrealised foreign exchange loss of HK\$8.8 million was also recorded, which mainly arose from the conversion of Sterling Pound denominated cash deposits to United States Dollars and from the unfavourable currency movements on the Sterling Pound denominated security holding and Renminbi denominated cash deposits. Overall, the total net realised and unrealised losses of HK\$28.6 million was recorded for FY2015 as compared with the total net realised and unrealised losses of HK\$4.8 million in the previous corresponding year. However, a one-off foreign exchange gain of HK\$2.8 million was realised as a result of striking off a Group's dormant subsidiary during FY2015. Consequently, the Group's Investment Holding segment reported a loss before tax of HK\$31.2 million for FY2015 as compared with a loss before tax of HK\$14.0 million in the previous corresponding year.

On the Group's Hospitality segment, the Group's U.S. hotel management arm, Richfield Hospitality, recorded lower management fee income of HK\$10.3 million for FY2015, down by HK\$11.3 million or 52.3% from HK\$21.6 million in the previous corresponding year. The decrease in revenue was offset by lower administrative expenses and resulted in a loss before tax of HK\$15.3 million for FY2015 as compared with a loss before tax of HK\$17.2 million in the previous corresponding year.

The Sheraton Chapel Hill Hotel, North Carolina, U.S. contributed total revenue of HK\$24.9 million, higher from the previous corresponding year by HK\$0.1 million. The increase in revenue was offset by higher administrative expenses and resulted in a lower profit contribution of HK\$2.3 million as compared to HK\$2.5 million in the previous corresponding year.

The Group's 51% equity interest in Sceptre Hospitality Resources ("SHR"), the hospitality industry's leading expert for reservations connectivity, online channel marketing and revenue/channel-management services, recorded higher revenue of HK\$49.6 million, up by HK\$5.1 million or 11.3% from HK\$44.5 million in the previous corresponding year. However, SHR incurred higher administrative expenses during FY2015 to support the revenue growth, resulting in a higher operating loss of HK\$5.3 million as compared with an operating loss of HK\$1.4 million in the previous corresponding year. During the previous corresponding year, SHR received one-time legal proceeds of HK\$4.3 million as final settlement of a contractual obligation arising from the acquisition of Whiteboard Labs, LLC.

The Group's jointly-controlled entity, Richfield Syracuse Hotel Partners, LLC, which owns the Crowne Plaza Syracuse Hotel, contributed a share of profit of HK\$1.0 million for FY2015 as compared with a share of profit of HK\$1.5 million in the previous corresponding year. The lower share of profit was mainly due to decreased revenue as a result of lower occupancy rates achieved by the hotel for FY2015 as compared to the previous corresponding year.

The Group recognised share of profit from its associates, S-R Burlington Partners, LLC. and Cosmic Hospitality China Limited, of HK\$0.2 million for FY2015, as compared to a share of profit of HK\$0.9 million in the previous corresponding year.

Consequently, the Group's Hospitality segment reported a loss before tax of HK\$17.2 million for FY2015 as compared with a loss before tax of HK\$9.5 million in the previous corresponding year.

As at 31 December 2015, the Group assessed the availability of future taxable profit against which the tax losses can be utilised and recognised a reduction of the deferred tax assets by HK\$19.5 million. This resulted in an income tax charge of HK\$13.6 million in FY2015, as compared to an income tax credit of HK\$5.0 million in the previous corresponding year.

Basic losses per share for FY2015 was HK14.40 cents, calculated on the weighted average number of ordinary shares of the Company in issue during the year of 382,449,524. The Group's net tangible assets per share decreased to HK\$1.24 as at 31 December 2015, down from HK\$1.39 as at 31 December 2014. The board did not propose a final dividend for FY2015.

PROSPECTS

The Group remains cautious in the midst of the global uncertainty, though in the U.S. real estate and hospitality markets have remained active. The Group is in consultation with its joint venture partners to respond to market interests in our investments.

The Group will continue to grow the hospitality reservation business and to adopt a prudent approach in managing the hospitality related businesses by ensuring costs are kept in line with the level of business activities.

The Group continues to hold some trading securities while its cash reserves are in a basket of currencies. From time to time, there could be continued adjustments attributable to unrealised gains or losses arising from the fair value readjustments of the Group's trading securities and unrealised gains or losses on the revaluation of foreign currency cash deposits.

AUDIT COMMITTEE

The members of the audit committee of the Company comprise 2 independent non-executive Directors and 1 non-executive Director. It has reviewed the annual results of the Group for FY2015.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout FY2015.

Under the CG Code provision E.1.2, the chairman of the board should attend the annual general meeting and invite the chairmen of audit, remuneration, nomination and any other committees (as appropriate) to attend. However, in the annual general meeting held on 20 April 2015 (the “2015 AGM”), our Chairman was unable to attend the meeting as he had to attend to other commitments. Mr. Ronald Nathaniel Issen, our Deputy Chairman and a non-executive Director, chaired the 2015 AGM. Further, Mr. Chan Bernard Charnwut, a non-executive Director and member of the Audit Committee and Nomination Committee; and Mr. Lawrence Yip Wai Lam, an executive Director, attended the 2015 AGM to answer any question from the shareholders.

Under the CG Code provision D.1.4, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. It is the normal practice of the Company not to issue formal letters of appointment to Directors as the Company considers that all the Directors fully understand their responsibilities and delegation arrangement in place.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Listing Rules (the “Model Code”) as the Company’s code of conduct regarding Directors’ securities transactions. All Directors have confirmed that they have complied with the Model Code throughout FY2015.

CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the changes of information on Directors and the Chief Executive Officer are as follows:-

Mr. Gan Khai Choon, an executive Director, was appointed as a Non-residential Investment Committee member of Sunbright Holdings Limited on 22 December 2014.

Mr. Lawrence Yip Wai Lam, an executive Director, was appointed as (i) a Non-residential Investment Committee member and a Residential Investment Committee member of Sunbright Holdings Limited on 22 December 2014; and (ii) a non-executive chairman and director of SWAN Holdings Limited on 23 July 2015. He was appointed as a director of other members of the Group on 23 July 2015, namely, Richfield Hospitality, Inc., Richfield Sceptre, Inc., RSF Carolina Partners, LLC, Sceptre Hospitality Resources, LLC and SWAN USA, Inc.

Mr. Ronald Nathaniel Issen, a non-executive Director, was appointed as a non-independent and non-executive director of Auric Pacific Group Limited on 1 November 2015.

The term of appointment of Mr. Chan Bernard Charnwut, a non-executive Director, as a chairman of the Council for Sustainable Development has ended on 28 February 2015. He was appointed as a chairman of the Committee on Reduction of Salt & Sugar in Food on 15 March 2015.

Mr. Teoh Teik Kee, an independent non-executive Director, stepped down on 15 May 2015 as (i) an independent non-executive director of CDL China Limited; and (ii) a director of CDL China (Shanghai) Consulting Co., Ltd.

Mr. Wong Hong Ren, the Chief Executive Officer, stepped down as (i) a non-executive chairman and director of First Sponsor Group Limited on 2 April 2015; (ii) a director of First Sponsor (Guangdong) Group Limited on 16 April 2015; (iii) the chairman, president and director of Grand Plaza Hotel Corporation on 15 May 2015; and (iv) the president commissioner of PT Millennium Hotels & Resorts on 9 November 2015. He was appointed as a director of SWAN Holdings Limited on 23 July 2015 and a director of Sceptre Hospitality Resources Pte. Ltd. on 18 August 2015. He was appointed as a director of other members of the Group on 23 July 2015, namely, RSF Carolina Partners, LLC, RSF Syracuse Partners, LLC and Sceptre Hospitality Resources, LLC.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2015.

STATUTORY INFORMATION

The annual general meeting of the Company (the “Annual General Meeting”) will be held on Monday, 18 April 2016.

In order to qualify for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s principal registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:00 p.m. on Wednesday, 13 April 2016, as the register of members of the Company will be closed from Thursday, 14 April 2016 to Monday, 18 April 2016, both dates inclusive.

By Order of the Board

Kwek Leng Beng

Chairman and Managing Director

Hong Kong, 24 February 2016

As at the date of this announcement, the Board is comprised of 8 directors, of which 3 are executive directors, namely Mr. Kwek Leng Beng, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam, 2 are non-executive directors, namely Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen, and 3 are independent non-executive directors, namely Dr. Lo Ka Shui, Mr. Lee Jackson a.k.a. Li Chik Sin and Mr. Teoh Teik Kee.