

News Release

22 March 2017

AMVIG Holdings Limited

AMVIG Holdings Limited has released its results for the year ended 31 December 2016.

Full details are contained in the AMVIG Holdings Limited announcement to the Hong Kong Stock Exchange (a copy of which is attached to this release).

This release is provided for information purposes.

ENDS

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AMVIG HOLDINGS LIMITED

澳 科 控 股 有 限 公 司 *

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2300)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL HIGHLIGHTS

- Turnover decreased by 21.9% to HK\$2,551 million
- Gross profit margin slightly decreased from 31.5% to 30.9%
- Excluding the exchange loss of HK\$91 million (2015: HK\$146 million), and on a constant currency basis, the underlying profit attributable to owners of the Company for the Reporting Period was HK\$281 million, which is lower than the underlying profit of HK\$402 million in 2015.
- Basic earnings per share decreased by 31.8% from HK27.7 cents to HK18.9 cents
- Proposed final dividend is HK2.2 cents per share and proposed final special dividend is HK1.1 cents per share. Total dividends for the year amounted to HK11.4 cents per share or HK\$105.9 million.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of AMVIG Holdings Limited (the “**Company**” or “**AMVIG**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2016 (the “**Reporting Period**”), together with the comparative results for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016

		2016 HK\$'000	2015 HK\$'000
	Note		
Turnover	3	2,551,386	3,264,682
Cost of goods sold		<u>(1,762,529)</u>	<u>(2,235,384)</u>
Gross profit		788,857	1,029,298
Other income		82,169	133,989
Selling and marketing expenses		(32,785)	(57,779)
Distribution costs		(19,910)	(20,537)
Administrative expenses		(317,514)	(358,608)
Other operating expenses		(91,427)	(146,113)
Finance costs		(84,517)	(80,195)
Share of profit of associates		<u>32,895</u>	<u>33,587</u>
Profit before tax	4	357,768	533,642
Income tax expenses	5	<u>(128,672)</u>	<u>(211,380)</u>
Profit for the year		<u>229,096</u>	<u>322,262</u>
Attributable to:			
Owners of the Company		175,589	256,381
Non-controlling interests		<u>53,507</u>	<u>65,881</u>
Earnings per share			
– Basic (HK cents)	6a	<u>18.9</u>	<u>27.7</u>
– Diluted (HK cents)	6b	<u>N/A</u>	<u>N/A</u>
Dividends	7	<u>105,912</u>	<u>212,751</u>
<i>Reconciliation of underlying profit attributable to owners of the Company:</i>			
Profit attributable to owners of the Company		175,589	256,381
Constant currency variance ¹		14,478	–
Net exchange loss		<u>90,839</u>	<u>145,549</u>
Underlying profit attributable to owners of the Company		<u>280,906</u>	<u>401,930</u>

¹ The constant currency variance was calculated by translating the Reporting Period's results from RMB into HK dollars at the annual average exchange rates applicable in the prior corresponding year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit for the year	<u>229,096</u>	<u>322,262</u>
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(198,565)	(228,031)
Share of other comprehensive income of associates	<u>(6,175)</u>	<u>(6,906)</u>
Other comprehensive income for the year, net of tax	<u>(204,740)</u>	<u>(234,937)</u>
Total comprehensive income for the year	<u><u>24,356</u></u>	<u><u>87,325</u></u>
Attributable to:		
Owners of the Company	(14,297)	35,893
Non-controlling interests	<u>38,653</u>	<u>51,432</u>
	<u><u>24,356</u></u>	<u><u>87,325</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Note	2016 HK\$'000	2015 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		659,337	658,814
Prepaid land lease payments		145,581	145,750
Goodwill		2,540,547	2,609,320
Interests in associates		105,800	112,681
Other non-current assets		11,275	168,871
		<u>3,462,540</u>	<u>3,695,436</u>
Current assets			
Inventories		196,819	299,182
Trade and other receivables	8	985,356	762,117
Prepaid land lease payments		4,281	4,058
Prepayments and deposits		29,092	29,108
Current tax assets		30,176	—
Pledged bank deposits		2,223	8,575
Bank and cash balances		1,581,018	1,940,583
		<u>2,828,965</u>	<u>3,043,623</u>
Total assets		<u>6,291,505</u>	<u>6,739,059</u>
EQUITY			
Capital and reserves			
Share capital		9,290	9,290
Reserves		3,230,914	3,498,272
		<u>3,240,204</u>	<u>3,507,562</u>
Equity attributable to owners of the Company			
Non-controlling interests		262,187	238,809
		<u>3,502,391</u>	<u>3,746,371</u>
Total equity			
LIABILITIES			
Non-current liabilities			
Bank borrowings		1,296,451	2,070,191
Deferred tax liabilities		12,566	13,741
		<u>1,309,017</u>	<u>2,083,932</u>

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	9	742,098	875,684
Current tax liabilities		33,165	21,311
Current portion of bank borrowings		704,834	11,761
		<u>1,480,097</u>	<u>908,756</u>
Total liabilities		<u>2,789,114</u>	<u>2,992,688</u>
Total equity and liabilities		<u>6,291,505</u>	<u>6,739,059</u>
Net current assets		<u>1,348,868</u>	<u>2,134,867</u>
Total assets less current liabilities		<u>4,811,408</u>	<u>5,830,303</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are first effective for annual periods beginning on or after 1 January 2016. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. 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 early applied the new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2016. The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. As the Group has not completed its assessment, further impacts may be identified in due course.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622).

These financial statements have been prepared under the historical cost convention.

3. TURNOVER AND SEGMENT INFORMATION

The Group has two reportable segments under HKFRS 8 as follows:

- Printing of cigarette packages
- Manufacturing of transfer paper and laser film

The Group’s reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those of the Group.

Segment profits or losses do not include corporate administrative expenses. Segment assets do not include goodwill, loan receivables, available-for-sale financial assets, corporate bank balances, prepayments and deposits and other receivables for general administrative use. Segment liabilities do not include bank borrowings and other payables and accruals for general administrative use.

Information about reportable segment profit, assets and liabilities:

	Printing of cigarette packages 2016 HK\$'000	Printing of cigarette packages 2015 HK\$'000	Manufacturing of transfer paper and laser film 2016 HK\$'000	Manufacturing of transfer paper and laser film 2015 HK\$'000	Total 2016 HK\$'000	Total 2015 HK\$'000
Year ended 31 December						
Revenue from external customers	2,516,854	3,237,658	34,532	27,024	2,551,386	3,264,682
Segment profit	550,261	691,694	6,474	767	556,735	692,461
Interest income	16,429	30,886	288	432	16,717	31,318
Depreciation and amortisation	(91,320)	(106,405)	(612)	(896)	(91,932)	(107,301)
Share of profit of associates	29,117	33,519	3,778	68	32,895	33,587
Income tax expenses	(108,696)	(174,109)	(512)	(148)	(109,208)	(174,257)
Additions to segment non-current assets	150,144	263,349	618	95	150,762	263,444

As at 31 December

Segment assets	3,165,214	3,125,252	65,143	65,686	3,230,357	3,190,938
Segment liabilities	(753,268)	(823,360)	(2,902)	(3,640)	(756,170)	(827,000)
Interests in associates	76,077	85,033	29,723	27,648	105,800	112,681

Reconciliation of reportable segment profit or loss, assets and liabilities:

	2016 HK\$'000	2015 HK\$'000
Profit or loss		
Total profit or loss of reportable segments	556,735	692,461
Other profit or loss	(327,639)	(370,199)
Consolidated profit for the year	<u>229,096</u>	<u>322,262</u>
Assets		
Total assets of reportable segments	3,230,357	3,190,938
Goodwill	2,540,547	2,609,320
Loan receivables and other assets	—	140,274
Available-for-sale financial assets	1,534	1,623
Other assets	<u>519,067</u>	<u>796,904</u>
Consolidated total assets	<u>6,291,505</u>	<u>6,739,059</u>
Liabilities		
Total liabilities of reportable segments	(756,170)	(827,000)
Other liabilities	<u>(2,032,944)</u>	<u>(2,165,688)</u>
Consolidated total liabilities	<u>(2,789,114)</u>	<u>(2,992,688)</u>

Geographical information:

Over 90% of the Group's revenue and assets are derived from customers and operations based in the People's Republic of China ("PRC") and accordingly, no further analysis of the Group's geographical information is disclosed.

Revenue from major customers:

	2016 HK\$'000	2015 <i>HK\$'000</i>
Printing of cigarette packages		
Customer A	564,176	1,032,703
Customer B	534,110	578,075
Customer C	441,944	479,066
Customer D	371,934	515,141

4. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging/(crediting) the following items:

	2016 HK\$'000	2015 <i>HK\$'000</i>
Cost of goods sold	1,762,529	2,235,384
Depreciation	90,846	109,561
Net exchange loss	90,839	145,549
Net (gain)/loss on disposals of property, plant and equipment	(1,311)	352
Staff costs including Directors' emoluments	388,794	416,646
Interest income	(32,672)	(79,125)
Subcontracting fee income	(10,507)	(13,854)

5. INCOME TAX EXPENSES

	2016 HK\$'000	2015 <i>HK\$'000</i>
PRC corporate income tax and withholding tax		
– Provision for the year	132,096	219,278
– Over-provision in prior year	(2,094)	(4,461)
Other deferred tax	(1,330)	(3,437)
	128,672	211,380

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong for the years.

The relevant tax rates for the Company's PRC subsidiaries range from 15% to 25%.

6. EARNINGS PER SHARE

- (a) Basic earnings per share of HK18.9 cents (2015: HK27.7 cents) is calculated based on the Group's profit attributable to the owners of the Company for the year of approximately HK\$175,589,000 (2015: HK\$256,381,000) and the weighted average number of shares of approximately 929,047,000 ordinary shares in issue during the year (2015: 926,191,000 shares).
- (b) No diluted earnings per share are presented as the Company did not have any potentially dilutive ordinary shares as the exercise price of the share options are higher than the average market price of the Company's shares during the years ended 31 December 2015 and 2016.

7. DIVIDENDS

A final dividend of HK2.2 cents per ordinary share and a final special dividend of HK1.1 cents per ordinary share for the year ended 31 December 2016, amounted to approximately HK\$20,439,000 and HK\$10,220,000 respectively, are proposed by the Board subject to approval by the shareholders at the forthcoming Annual General Meeting. The proposed final dividends and final special dividends are not recognised as liabilities at 31 December 2016.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interim dividend paid of HK5.4 cents (2015: HK10.4 cents) per ordinary share	50,169	96,621
Interim special dividend paid of HK2.7 cents (2015: HK5.2 cents) per ordinary share	25,084	48,310
Proposed final dividend of HK2.2 cents (2015: HK0.7 cent) per ordinary share	20,439	6,503
Proposed final special dividend of HK1.1 cents (2015: HK6.6 cents) per ordinary share	10,220	61,317
	<u>105,912</u>	<u>212,751</u>

8. TRADE AND OTHER RECEIVABLES

The general credit terms of the Group granted to its trade customers range from one month to three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management. An aging analysis of trade receivables, based on the invoice date, net of allowances, is as follows:

	2016 HK\$'000	2015 HK\$'000
Current to 30 days	396,160	259,607
31 to 90 days	224,364	293,664
Over 90 days	63,866	41,505
Trade receivables	684,390	594,776
Bills receivables	222,640	84,624
Other receivables – an associate	53,073	56,774
Other receivables – others	25,253	25,943
	985,356	762,117

9. TRADE AND OTHER PAYABLES

An aging analysis of trade payables, based on the date of invoices, is as follows:

	2016 HK\$'000	2015 HK\$'000
Current to 30 days	249,945	236,400
31 to 90 days	201,870	225,239
Over 90 days	74,011	30,442
Trade payables	525,826	492,081
Bills payables – secured	–	9,891
Dividend payable	10	3
Other payables	216,262	373,709
	742,098	875,684

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The austerity drives by the Central Government and the overstocking from previous years, as well as the changes in health warning labels on tobacco packages, had slowed down the orders from customers, which resulted in a significant decrease in the Group's turnover in the first half of 2016. Although the situation had improved in the second half of the year, due to the easing of the inventories as well as the pending finalization of the health warning label designs to be applied on tobacco packages, turnover of the Group still fell short when compared to that of last year.

The devaluation of Renminbi has also caused a decline in the reported turnover, as the Group's reporting currency is in Hong Kong dollars. On a constant currency basis, turnover of the Group dropped by only 17.6%, instead of 21.9% during the Reporting Period.

Despite the reduction in sales revenue, as well as deterioration in product mix, as sales of high-end cigarettes were affected by the rise in tobacco taxes, the Group's gross profit rate only recorded a slight drop of 0.6 percentage point to 30.9%, which was mainly due to the Group's continuous efforts in saving production costs, reducing expenses and productivity improvement. This reduction in costs and expenses had mitigated the impact of drop in sales on the Group's results.

Net profit attributable to owners of the Company dropped from HK\$256.4 million to HK\$175.6 million mainly due to a reduction in turnover. On a constant currency basis, net profit attributable to owners of the Company during the Reporting Period was reduced by 27.8% when compared to 2015.

The operational cash flow of the Group continued to be strong. During the Reporting Period, the net operational cash inflow of the Group amounted to HK\$203.8 million. In view of the healthy financial position, in addition to the normal interim and final dividends, the Board has announced an interim special dividend amounted to HK2.7 cents per share and proposed a final special dividend of HK1.1 cents per share during the Reporting Period.

FINANCIAL REVIEW

Turnover

During the Reporting Period, the Group recorded a drop in turnover of 21.9% (17.6% on constant currency basis) from HK\$3,265 million to HK\$2,551 million. This was mainly due to a slowdown in customers' orders in response to a subdued demand for cigarettes, an over-accumulation of inventories by tobacco groups as of the end of 2015 and the change to the health warning labels on tobacco packages in the second half of 2016.

Gross Profit

During the Reporting Period, the overall gross profit rate was 30.9%, which represents a slight drop of 0.6 percentage point when compared to that of last year. The gross profit rate was adversely affected by (1) a reduction in production volume, which had caused a rise in unit fixed costs; and (2) the reduction of sales of high-end cigarette packs had caused a deterioration of product mix. The above adverse factors were offset by the management's efforts in controlling costs and improving productivity.

Operating Costs

Operating costs (including administrative expenses and selling and distribution costs) decreased by HK\$67 million from HK\$437 million in 2015 to HK\$370 million in 2016 due to management's effort in expenses control and a corresponding drop in sales. Operating costs expressed as a percentage of turnover increased slightly from 13.4% in 2015 to 14.5% in the Reporting Period.

Other Operating Expenses

The other operating expenses mainly represent the exchange loss on revaluing borrowings denominated in Hong Kong dollars against depreciating Renminbi amounted to HK\$91 million during the Reporting Period.

Finance Costs

Finance costs increased from HK\$80.2 million in 2015 to HK\$84.5 million for the Reporting Period mainly due to the increase in effective interest rate during the Reporting Period, the effect of which had been partially offset by the reduction in average outstanding bank borrowings throughout the Reporting Period.

Share of Profit of Associates

Share of profit of associates decreased slightly from HK\$33.6 million in 2015 to HK\$32.9 million for the Reporting Period. The drop was mainly due to the devaluation of Renminbi against Hong Kong dollars, which had affected the results presented in Hong Kong dollars. On a constant currency basis, the share of profit of associates would be HK\$34.7 million, which showed a slight increase when compared to 2015.

Taxation

The effective tax rate of the Group decreased by 3.6 percentage points from 39.6% in 2015 to 36% in 2016 due to the decrease in exchange loss arising from the devaluation of Renminbi against Hong Kong dollars, as such exchange loss was not tax deductible.

Profit attributable to Owners of the Company

The Group achieved a profit attributable to owners of the Company of HK\$175.6 million during the Reporting Period, representing a decrease of 31.5% from HK\$256.4 million in 2015. The decrease was mainly due to the drop in turnover resulted from a reduction in orders from customers during the year. On a constant currency basis, the Group's profit attributable to owners of the Company decreased by 27.8% when compared to 2015.

Segmental Information

During the Reporting Period, substantially all the turnover was derived from printing of cigarette packages.

Dividends

The Board recommended the payment of a final dividend of HK2.2 cents per share (2015: HK0.7 cent) and a final special dividend of HK1.1 cents per share (2015: HK6.6 cents) for the year ended 31 December 2016 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 15 June 2017. Subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting of the Company, the said final dividend and final special dividend will be paid to the Company's shareholders on or around 27 June 2017.

Financial Position

As at 31 December 2016, total assets of the Group amounted to HK\$6,292 million and its total liabilities amounted to HK\$2,789 million, representing a decrease of HK\$448 million and HK\$204 million, respectively as compared to 31 December 2015.

Borrowings and Banking Facilities

As at 31 December 2016, the Group had gross interest-bearing borrowings of approximately HK\$2,001 million (31 December 2015: HK\$2,082 million), representing a decrease of HK\$81 million over the last year end. The decrease of bank borrowings was due to the repayment of a portion of the bank borrowings.

Substantially all of the interest-bearing borrowings are unsecured, denominated in Hong Kong dollars and bear interest at floating rates. The maturity profile of the Group's gross interest-bearing borrowings is as follows:

	2016 HK\$'000	2015 HK\$'000
On demand or within one year	704,834	11,761
In the second year	1,296,451	688,256
In the third to fifth years, inclusive	<u>–</u>	<u>1,381,935</u>
	2,001,285	2,081,952
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(704,834)</u>	<u>(11,761)</u>
Amount due for settlement after 12 months	<u>1,296,451</u>	<u>2,070,191</u>

As of 31 December 2016, the Group had committed but undrawn banking facilities amounted to HK\$600 million (31 December 2015: HK\$500 million).

Capital Structure

As at 31 December 2016, the Group had net assets of HK\$3,502 million comprising non-current assets of HK\$3,462 million, net current assets of HK\$1,349 million and non-current liabilities of HK\$1,309 million.

Gearing ratio, measured by total interest-bearing borrowings as a percentage of equity, increased slightly from 56% as at 31 December 2015 to 57% as at 31 December 2016. Such slight increase was mainly due to the decrease in equity via the foreign currency translation reserve resulted from the devaluation of Renminbi, the Group's functional currency, against Hong Kong dollars, the presentation currency.

Charges on the Group's Assets

As at 31 December 2016, assets with carrying amount of approximately HK\$2.2 million (31 December 2015: HK\$34.2 million) were pledged to banks in respect of banking facilities granted to the Group.

Contingent Liabilities

As at 31 December 2016, the Group did not have any significant contingent liabilities (31 December 2015: Nil).

Capital Commitments

As at 31 December 2016, the Group had capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment of HK\$30 million (31 December 2015: HK\$45 million).

Working Capital

The current ratio decreased from 335% at last year end to 191% at 31 December 2016. This was mainly due to a portion of the bank borrowings amounted to HK\$702 million becoming due within one year and such amount was reclassified from non-current liabilities as at last year end to current liabilities as of 31 December 2016.

Foreign Currency Exposure

During the Reporting Period, the Group's business transactions were mainly denominated in Renminbi. All bank borrowings were denominated in Hong Kong dollars. Since the functional currency of the Company is Renminbi, the Group has foreign currency exposure on Hong Kong dollars related to its bank borrowings.

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Acquisition and Disposal

During the Reporting Period, there was no material acquisition and disposal of subsidiaries or associated companies by the Group.

REMUNERATION POLICIES AND EMPLOYEE INFORMATION

As at 31 December 2016, the Group had 2,339 full time employees in Hong Kong and the PRC. Total staff costs (including Directors' emoluments and employee share-based compensation benefits) amounted to approximately HK\$389 million (2015: HK\$417 million) for the year. All full time salaried employees, except for factory workers and contract employees, are being paid on a monthly basis, plus a discretionary performance bonus. Factory workers are being remunerated based on a basic wage plus production incentive. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. In addition to salaries, the Group provides staff benefits including medical insurance and contributions to staff's provident fund. Share options, awards and bonuses are also available to employees of the Group at the discretion of the Board and depending upon the financial performance of the Group.

PROSPECTS

After a year of unprecedented downturn and uncertainty, it is generally expected that the tobacco market will start to stabilize in the coming year. Considering the tobacco industry is still important to the State's revenue and employment of leaf growing farmers in poverty-stricken areas, long term fundamentals of the industry will remain unchanged. Product mix will improve although the consumption volume will stay flat. Facing the challenges ahead, it is also expected that there will be more industry consolidation to reduce the duplication of resources.

The Group's investments in research and development had begun to yield initial results. Many new designs were accepted by customers during the year, and such efforts are ongoing. It is hopeful that such new designs will accelerate the Group's organic growth in turnover in the coming years.

The management will continue to seek value-added acquisitions which will enhance the Group's earnings and presence in the market.

Internally, the Group will continue to reduce costs and improve productivity. In the coming years, the management will focus on centralizing the various functions to streamline the operations and reducing duplication of resources. The management is also actively seeking opportunities to reduce the foreign currency exposure brought forth by its Hong Kong dollar borrowings. The management had geared down the Group through the replacement of the previous borrowing with a facility with a smaller size in February 2017.

Management would like to take this opportunity to show our appreciation to the great support from all our shareholders, suppliers and customers. We would also like to extend our gratitude to all our staff for their continuous dedication, commitment and contribution to the development of the Group during this turbulent time. The Group will strive to overcome the difficulties and challenges ahead to create higher return to our shareholders.

SUPPLEMENTARY INFORMATION

Purchase, sale or redemption of the Company's listed securities

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

Closure of register of members

The register of members of the Company will be closed during the following periods:

1. from Monday, 5 June 2017 to Wednesday, 7 June 2017 (both days inclusive), during which period no transfers of shares will be registered, for ascertaining shareholders' entitlement to attend and vote at the forthcoming Annual General Meeting to be held on or about Thursday, 8 June 2017. In order to be eligible to attend and vote at the forthcoming Annual General Meeting, all transfer shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 2 June 2017; and
2. from Wednesday, 14 June 2017 to Thursday, 15 June 2017 (both days inclusive), during which period no transfers of shares will be registered, for ascertaining shareholders' entitlement to receive the proposed final dividend and final special dividend for the year ended 31 December 2016. In order to be eligible to receive the proposed final dividend and final special dividend, all transfer shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Tuesday, 13 June 2017.

Corporate governance

The Company continues to be committed to meeting the requirements of the corporate code of governance and to place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and protection of shareholders' interests.

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the Reporting Period.

Audit Committee

The Audit Committee of the Company, comprising the three independent non-executive Directors, namely Mr. Tay Ah Kee, Keith (Chairman of the Audit Committee), Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric, has reviewed with senior management of the Group and external auditors the accounting standards and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the Company's consolidated financial statements for the Reporting Period.

Preliminary announcement of the results agreed by Auditors

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2016. The work performed by RSM Hong Kong 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 RSM Hong Kong on the preliminary announcement.

By the order of the Board
AMVIG Holdings Limited
Chan Chew Keak, Billy
Chairman

Hong Kong, 21 March 2017

As at the date of this announcement, the Board comprises Mr. Chan Chew Keak, Billy as non-executive Chairman, Mr. Ge Su and Mr. Liu Shun Fai as executive Directors, Mr. Jerzy Czubak and Mr. Michael Casamento as non-executive Directors, and Mr. Tay Ah Kee, Keith, Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric as independent non-executive Directors.

* *For identification purpose only*