

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.

FRASER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8366)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 July 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Director(s)**”) of Fraser Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

- Revenue amounted to approximately HK\$30.5 million for the three months ended 31 July 2016 (the “**Reporting Period**”) (2015: approximately HK\$49.9 million), representing a decrease of approximately 38.9% as compared with the corresponding period of last year.
- Profit attributable to the owners of the Company for the three months ended 31 July 2016 amounted to approximately HK\$1.9 million (2015: approximately HK\$0.7 million).
- Basic earnings per share amounted to approximately HK\$0.129 cents for the three months ended 31 July 2016 (2015: approximately HK\$0.053 cents).
- The Board does not recommend the payment of dividend for the three months ended 31 July 2016 (2015: nil).

The board (the “**Board**”) of Directors of the Company is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 July 2016 together with the comparative figures for the prior period in 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 JULY 2016

| | Notes | For the three months ended 31 July | |
|---|-------|------------------------------------|---------------------------------|
| | | 2016 HK\$'000 (Unaudited) | 2015 HK\$'000 (Unaudited) |
| Revenue | 3 | 30,471 | 49,908 |
| Direct costs | | (28,187) | (45,653) |
| Gross profit | | 2,284 | 4,255 |
| Other income | 3 | 1,281 | 164 |
| Administrative expenses | | (1,270) | (3,106) |
| Finance costs | 4 | (3) | (38) |
| Profit before income tax | 6 | 2,292 | 1,275 |
| Income tax expense | 5 | (436) | (620) |
| Profit for the period | | 1,856 | 655 |
| Other comprehensive income for the period, net of tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Fair value gain of available-for-sale financial assets | | 788 | – |
| Total comprehensive income for the period attributable to the owners of the Company | | 2,644 | 655 |
| | | HK cents | HK cents |
| Earnings per share | | | |
| — Basic and diluted | 8 | 0.129 | 0.053 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 JULY 2016

| | Share capital HK\$'000 | Share premium* HK\$'000 | Merger reserve* HK\$'000 (Note) | Available- for-sale financial assets investment revaluation reserve* HK\$'000 | Retained earnings* HK\$'000 | Total HK\$'000 |
|---|------------------------------|-------------------------------|--|--|-----------------------------------|----------------------|
| At 1 May 2015 | 18,001 | – | – | – | 25,081 | 43,082 |
| Arising from group reorganization | (18,001) | – | 18,001 | – | – | – |
| Profit and total comprehensive income for the period | – | – | – | – | 655 | 655 |
| At 31 July 2015 (unaudited) | <u>–</u> | <u>–</u> | <u>18,001</u> | <u>–</u> | <u>25,736</u> | <u>43,737</u> |
| At 1 May 2016 | 14,400 | 24,457 | 18,001 | – | 22,271 | 79,129 |
| Available-for-sale — Fair value gain credited to equity | – | – | – | 788 | – | 788 |
| Profit and total comprehensive income for the period | – | – | – | – | 1,856 | 1,856 |
| Total comprehensive income | – | – | – | 788 | 1,856 | 2,644 |
| At 31 July 2016 (unaudited) | <u>14,400</u> | <u>24,457</u> | <u>18,001</u> | <u>788</u> | <u>24,127</u> | <u>81,773</u> |

* The total of these balances represents “Reserves” in the condensed consolidated statement of financial position.

Note: Merger reserve represents the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation for the listing and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fraser Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 20 May 2015 as an exempted company with limited liability. Its parent and ultimate holding company is National Honour Investments Limited (“**National Honour**”), a company incorporated in the British Virgin Islands (“**BVI**”) and wholly owned by Mr. Yu Shek Man, Ringo (“**Mr. Yu**”) and Ms. Wong So Wah (“**Ms. Wong**”) (collectively referred as the “**Controlling Shareholders**”).

The addresses of the registered office and the principal place of business of the Company are Room 1122, Pacific Link Tower, South Mark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong. The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong.

The Company’s shares are listed on the Growth Enterprise Market of The Stock Exchange on 2 November 2015 (the “**Listing**”).

2. BASIS OF PREPARATION AND REORGANISATION

The unaudited condensed consolidated financial statements of the Group for the period ended 31 July 2016 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”). The financial information have been prepared on the historical cost.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 April 2016, which have been prepared in accordance with the accounting policies which conforms to the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by HKICPA.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial information are consistent with those used in the Group’s audited combined financial statements for the year ended 30 April 2016. The adoption of these new and revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

The unaudited condensed consolidated financial statements for the period ended 31 July 2016 are presented in Hong Kong dollars (“**HK\$**”), which is the same functional currency of the Company.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the GEM (the “**Reorganisation**”), the Company became the holding company of the companies now comprising the Group on 17 June 2015. Details of the Reorganisation are set out in the section headed “Statutory and general information — A. Further information about our Company — 4 . Corporate Reorganisation” in the prospectus of the Company dated 23 October 2015 (“**Prospectus**”).

The Group resulting from the abovementioned Reorganisation is regarded as a continuing entity. Accordingly, the unaudited condensed combined financial information of the Group have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” as if the group structure under the Group Reorganisation had been in existence throughout the three months ended 31 July 2016 and 2015.

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

The Group is principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong.

Breakdown of the Group's revenue is set out as follows:

| | Three months ended 31 July | |
|---------------------|---------------------------------|---------------------------------|
| | 2016 HK\$'000 (Unaudited) | 2015 HK\$'000 (Unaudited) |
| Contracting revenue | 30,471 | 49,863 |
| Consultancy fee | – | 45 |
| Revenue | 30,471 | 49,908 |

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board of Directors regard the Group's business of construction as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presents as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

An analysis of the Group's revenue and contribution to profit from operating activities from undertaking slope works, foundation works and other general building works in Hong Kong in the ordinary course of business during the three months ended 31 July 2016 and 2015 are as follows:

| | Three months ended 31 July | |
|------------------------|---------------------------------|---------------------------------|
| | 2016 HK\$'000 (Unaudited) | 2015 HK\$'000 (Unaudited) |
| Slope works | 25,944 | 46,553 |
| Foundation works | 4,327 | 679 |
| General building works | 200 | 2,631 |
| Others (<i>note</i>) | – | 45 |
| | 30,471 | 49,908 |

Note: Others represent consultancy fee income derived from the provision of consultancy services in relation to the management of projects involving slope works, foundation works and/or other general building works.

An analysis of other income is as follows:

| | Three months ended 31 July | |
|---|---|---|
| | 2016 <i>HK\$'000</i> (Unaudited) | 2015 <i>HK\$'000</i> (Unaudited) |
| Gain on disposal of property, plant and equipment | 1,000 | – |
| Interest income | 249 | – |
| Rental income from lease of machinery | – | 164 |
| Sundry income | 32 | – |
| | <u>1,281</u> | <u>164</u> |

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group during the Reporting Period are as follows:

| | Three months ended 31 July | |
|-------------------------|---|---|
| | 2016 <i>HK\$'000</i> (Unaudited) | 2015 <i>HK\$'000</i> (Unaudited) |
| Customer A ¹ | 4,327 | N/A ¹ |
| CEDD | 17,984 | 39,380 |
| Lands Department | 5,887 | 5,576 |
| | <u>28,198</u> | <u>44,956</u> |

¹ The revenue from these customer amounted to less than 10% of the total revenue of the Group.

4. FINANCE COSTS

An analysis of finance costs is as follows:

| | Three months ended 31 July | |
|---|---|---|
| | 2016 <i>HK\$'000</i> (Unaudited) | 2015 <i>HK\$'000</i> (Unaudited) |
| Interest on: | | |
| — bank borrowings wholly repayable within 5 years | – | 34 |
| — obligation under finance leases wholly repayable within 5 years | 3 | 4 |
| | <u>3</u> | <u>38</u> |

5. INCOME TAX EXPENSE

| | Three months ended 31 July | |
|--------------------------|----------------------------|-------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax — Hong Kong: | | |
| — charge for the period | <u>436</u> | <u>620</u> |

Hong Kong Profits Tax has been provided at the rate of 16.5% (2015: 16.5%) on the Company's estimated assessable profits for the period.

No deferred tax has been provided in the unaudited condensed consolidated interim financial statements as there is no material temporary difference as at the reporting dates.

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging (crediting):

| | Three months ended 31 July | |
|--|----------------------------|---------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Staff costs (including directors' emoluments) | | |
| — salaries, allowances and benefits in kind | 1,341 | 1,634 |
| — retirement benefits scheme contributions | <u>45</u> | <u>89</u> |
| Total staff costs (including directors' emoluments) | <u>1,386</u> | <u>1,723</u> |
| Depreciation in respect of plant and equipment | | |
| — leased assets | 6 | — |
| — owned assets | <u>35</u> | <u>213</u> |
| | <u>41</u> | <u>213</u> |
| Operating lease charges: | | |
| — Land and buildings | <u>96</u> | <u>96</u> |
| Subcontracting charges (included in direct costs) | <u>26,606</u> | <u>41,697</u> |
| Listing expenses (included in administrative expenses) | <u>—</u> | <u>2,467</u> |

7. DIVIDEND

The Directors do not recommend a payment of an interim dividend for the three months ended 31 July 2016 (2015: nil).

8. EARNINGS PER SHARE

| Three months ended 31 July | |
|-----------------------------------|--------------------|
| 2016 | 2015 |
| HK\$'000 | HK\$'000 |
| (Unaudited) | (Unaudited) |

The calculation of basic earnings per share attributable to owners of the Company is based on the following:

Earnings

Profit for the period attributable to equity holders of the Company for the purpose of basic earnings per share

| | |
|---------------------|------------|
| <u>1,856</u> | <u>655</u> |
|---------------------|------------|

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share

| | |
|-------------------------|------------------|
| <u>1,440,000</u> | <u>1,235,000</u> |
|-------------------------|------------------|

The calculation of basis earnings per share for the three months ended 31 July 2016 is based on the profit attribute to the owners of the Company and the weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the periods of has been determined based on the assumption that the capitalisation issue have been effective on 1 May 2014.

There were no dilutive potential ordinary shares during both periods and therefore, diluted earnings per share are not presented.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is a contractor principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong. Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Foundation works are generally concerned with the construction of foundations. General building works mainly include the general construction of buildings. Fraser Construction Company Limited, our principal operating subsidiary, is an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau of the Government under the categories of “Landslip Preventive/Remedial Works to Slopes/Retaining Walls” with a confirmed status and “Land Piling (Group II)”. Being on such list is a prerequisite for tendering for public sector projects in the relevant works categories. In addition, Fraser Construction Company Limited is registered under the Buildings Ordinance as a (i) Registered Specialist Contractor under the sub-register of “Site Formation Works” and “Foundation Works” categories; and (ii) Registered General Building Contractor.

Hong Kong construction companies are facing tougher competitive condition, as well as the slower progress of scrutinising the funding proposals for public works projects by the Finance Committee and the Public Works Subcommittee due to political and social chaos in Hong Kong. The Group has also been facing challenging operating environment resulting from increasing costs of operation including, in particular, costs of construction labours and subcontracting charges. As such, the Directors consider that competition in the market has become more intense recently.

Nevertheless, we believe that the Hong Kong Government’s continuing increase in major construction and infrastructure projects in Hong Kong will increase the demand for slope works because of the continued implementation of the “Ten Major Infrastructure Projects” and the fact that slope works are directly related to public safety. The Hong Kong Observatory has predicted a higher than average rainfall for the coming year, which increases the risk of landslides and the Hong Kong Government forecasted a higher financial provision for conducting major mitigation measures to reduce the landslide risk at slopes. All in all, the Directors remain cautiously optimistic about the slope works industry in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group's overall revenue decreased by approximately HK\$19.4 million or approximately 38.9% from approximately HK\$49.9 million for the three months ended 31 July 2015 to approximately HK\$30.5 million for the three months ended 31 July 2016. The decrease in revenue was mainly due to the decrease in the average revenue recognised per project.

The Board regards the Group's business of construction as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong. The Group's principal operating activities during the three months ended 31 July 2016 are as follows:

Slope works: Undertaking landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Revenue from undertaking slope works decreased from approximately HK\$46.6 million for the three months ended 31 July 2015 to approximately HK\$25.9 million for the three months ended 31 July 2016, representing a decrease of approximately 44.4%. The decrease in revenue was primarily attributable to a lower amount of revenue from CEDD's slope works projects for the three months ended 31 July 2016, which was due to certain delays in the work schedule under some of the Group's slope work projects and less work orders were received from its slope work projects.

Foundation works: Undertaking works in relation to the construction of foundations for general building construction. Revenue from undertaking foundation works increased from HK\$0.7 million for the three months ended 31 July 2015 to approximately HK\$4.3 million for the three months ended 31 July 2016, representing an increase of approximately 514.3%, as a result of the increase in the contract size of foundation project undertaken by the Group during the three months ended 31 July 2016.

General building works: Undertaking general construction of buildings. Revenue from undertaking general building works decreased from approximately HK\$2.6 million for the three months ended 31 July 2015 to approximately HK\$0.2 million for the three months ended 31 July 2016, representing a decrease of approximately 92.3%, which was due to the decrease in general building works services provided by the Group for the three months ended 31 July 2016.

Others: Provision of consultancy services in relation to the management of projects involving slope works, foundation works and/or other general building works in Hong Kong. Revenue from the provision of consultancy services decreased from HK\$45,000 for the three months ended 31 July 2015 to HK\$0 for the three months ended 31 July 2016, representing a decrease of 100%, as there was no provision of consultancy service during the three months ended 31 July 2016.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$2.0 million or approximately 46.5% from approximately HK\$4.3 million for the three months ended 31 July 2015 to approximately HK\$2.3 million for the three months ended 31 July 2016 and the Group's gross profit margin decreased from approximately 8.5% for the three months ended 31 July 2015 to approximately 7.5% for the three months ended 31 July 2016. The decrease in gross profit margin was mainly due a higher subcontracting rate for the new projects as a result of the tougher competitive conditions and challenging operating environment.

The Group's cost of services rendered decreased by approximately HK\$17.5 million or approximately 38.3% from approximately HK\$45.7 million for the three months ended 31 July 2015 to approximately HK\$28.2 million for the three months ended 31 July 2016. Such decrease was mainly attributable to the decrease in amount of works performed resulting in the decrease in our subcontracting charges.

Other Income

The Group's other income increased by approximately HK\$1.1 million or approximately 550% from approximately HK\$0.2 million for the three months ended 31 July 2015 to approximately HK\$1.3 million for the three months ended 31 July 2016. The increase in the Group's other income was primarily due to increase in the gain on disposal of motor vehicles amounting HK\$1 million and also the interest income derived from available-for-sale financial assets during the three months ended 31 July 2016.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$1.8 million or approximately 58.1% from approximately HK\$3.1 million for the three months ended 31 July 2015 to approximately HK\$1.3 million for the three months ended 31 July 2016. The decrease in the Group's administrative expenses was primarily due to the listing expenses of approximately HK\$2.5 million incurred during the three months ended 31 July 2015, while there was no such expenses incurred during the three months ended 31 July 2016, which is partially offset by the increase in administrative and other operating expenses after Listing.

Net Profit

Profit attributable to owners of the Company for the period increased by approximately HK\$1.2 million or approximately 171.4% from approximately HK\$0.7 million for the three months ended 31 July 2015 to approximately HK\$1.9 million for the three months ended 31 July 2016. The Group's net profit margin increase from approximately 1.3% for the three months ended 31 July 2015 to approximately 6.1% for the same period of 2016. The increase in the Group's profit for the period was mainly due to the increase in other income revenue and the decrease of administrative expenses for the three months ended 31 July 2016 as discussed above.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 July 2016, the interests and short positions of the Directors or chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) *Long position in the Company's Shares*

| Name of Director | Capacity/Nature | Number of Shares Held/ interested | Approximate Percentage of shareholding |
|-------------------------|--|--|---|
| Mr. Yu Shek Man Ringo | Interest of a controlled corporation (<i>Note 1</i>) | 1,080,000,000 | 75% |
| Ms. Wong So Wah | Interest of spouse (<i>Note 2</i>) | 1,080,000,000 | 75% |

Notes:

1. The issued share capital of National Honour is owned as to 90% by Mr. Yu Shek Man Ringo and 10% by Ms. Wong So Wah, the spouse of Mr. Yu Shek Man Ringo. Therefore, Mr. Yu Shek Man Ringo is deemed or taken to be interested in all the shares of the Company held by National Honour for the purpose of the SFO.
2. Ms. Wong So Wah is the spouse of Mr. Yu Shek Man Ringo. Accordingly, Ms. Wong So Wah is deemed or taken to be interested in all the shares of the Company which Mr. Yu Shek Man Ringo is interested for the purpose of the SFO.

(ii) Long position in the shares of associated corporations

| Name of Director | Name of associated Corporation | Capacity/Nature | Number of shares Held/ interested | Percentage of shareholding |
|-------------------------|---------------------------------------|--|--|-----------------------------------|
| Mr. Yu Shek Man Ringo | National Honour | Beneficial owner Interest of spouse (Note 1) | 9 1 | 90% 10% |
| Ms. Wong So Wah | National Honour | Beneficial owner Interest of spouse (Note 2) | 1 9 | 10% 90% |

Notes:

1. Mr. Yu Shek Man Ringo is the spouse of Ms. Wong So Wah. Therefore, Mr. Yu Shek Man Ringo is deemed or taken to be interested in all the shares of the Company which Ms. Wong So Wah is interested for the purpose of the SFO.
2. Ms. Wong So Wah is the spouse of Mr. Yu Shek Man Ringo. Accordingly, Ms. Wong So Wah is deemed or taken to be interested in all the shares of the Company which Mr. Yu Shek Man Ringo is interested for the purpose of the SFO.

Substantial Shareholders and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 July 2016, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

| Name | Capacity/nature | Number of shares held/ interested | Percentage of shareholding |
|-----------------|------------------------|--|-----------------------------------|
| National Honour | Beneficial owner | 1,080,000,000 | 75% |

OTHER INFORMATION

Competing Interests

Save for Mr. Wong Law Fai's interest in Wan Chung Construction Company Limited details of which were set out in the section headed "Relationships with Controlling Shareholders" of the prospectus of the Company dated 23 October 2015, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined in the GEM Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the three months ended 31 July 2016.

Compliance Advisor's Interests

As at 31 July 2016, as notified by the Company's compliance advisor, Dakin Capital Limited (the "**Compliance Advisor**"), except for the compliance adviser agreement entered into between the Company and the Compliance Advisor dated 2 February 2016, neither the Compliance Advisor nor its directors, employees or its close associates (as defined under the GEM Listing Rules) had any interests in the securities to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Purchase, Sale or Redemption of the Company's Listed Securities

During the three months ended 31 July 2016 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

Corporate Governance Code

During the three months ended 31 July 2016 and up to the date of this announcement, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules save for the deviation from code provision A.2.1 explained below.

Since the Company has appointed Mr. Yu Shek Man Ringo as chairman and chief executive officer, the roles of the chairman and chief executive officer are not separated and performed by two different individuals.

Mr. Yu Shek Man Ringo has been managing the Group's business and the overall financial and strategic planning since October 1995. The Board believes that the vesting of the roles of chairman and chief executive officer in Mr. Yu is beneficial to the business operations and management of Group and will provide a strong and consistent leadership to the Group. In addition, due to the presence of three independent non-executive Directors which represent half of the Board, the Board considers that there is a balance of power and authority such that no one individual has unfettered power of decision. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by Code Provision A.2.1 of Appendix 15 to the GEM Listing Rules.

Code of Conduct Regarding Securities Transactions by Directors

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors the (“**Code of Conduct**”) on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the three months ended 31 July 2016 and up to the date of this announcement.

Dividends

The Board did not recommend any payment of dividend for the three months ended 31 July 2016 (2015: Nil).

Share Option Scheme

The Company has conditionally adopted a share option scheme on 15 October 2015 (the “**Scheme**”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 July 2016.

Audit Committee

The Company established the Audit Committee on 14 October 2015 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Law Yiu Sing, Mr. Wong Kwok Chuen and Mr. Wong Law Fai. The chairman of the Audit Committee is Mr. Law Yiu Sing, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee had reviewed the unaudited combined results of the Group for the three months ended 31 July 2016 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Fraser Holdings Limited
Yu Shek Man Ringo
Chairman and Executive Director

Hong Kong, 9 September 2016

As at the date of this announcement, the executive Directors are Mr. Yu Shek Man Ringo and Ms. Wong So Wah; the non-executive Director is Mr. Cheung Kin Keung Martin and the independent non-executive Directors are Mr. Law Yiu Sing, Mr. Wong Kwok Chuen and Mr. Wong Law Fai.