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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Financial Performance Highlights

Revenue	**HK$3,833 million**
Profit attributable to owners of the Company	**HK$543 million**
Basic earnings per share	**HK68.42 cents**
Final dividend per share	**HK13.5 cents**
Equity attributable to owners of the Company per share	**HK$7.09**

RESULTS

The board of directors (the "Board") of Wai Kee Holdings Limited (the "Company") announces the audited results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	2	**3,832,509**	2,545,909
Cost of sales		**(3,455,944)**	(2,305,488)
Gross profit		**376,565**	240,421
Other income	4	**44,928**	44,211
Investment income, gains and losses	5	**(1,460)**	9,107
Selling and distribution costs		**(74,878)**	(55,652)
Administrative expenses		**(259,567)**	(210,798)
Finance costs	6	**(9,078)**	(6,836)
Share of results of associates		**406,697**	387,825
Other gains and losses	7	**85,579**	42,236
Profit before tax	8	**568,786**	450,514
Income tax expense	9	**(1,907)**	(1,495)
Profit for the year		**566,879**	449,019
Profit for the year attributable to:			
Owners of the Company		**542,649**	440,205
Non-controlling interests		**24,230**	8,814
		566,879	449,019
		HK cents	*HK cents*
Earnings per share	11		
– Basic		**68.42**	55.50
– Diluted		**68.40**	55.39

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**566,879**	449,019
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(2,557)**	2,542
Share of translation reserves of associates	**(21,027)**	108,801
Other comprehensive (expense) income for the year	**(23,584)**	111,343
Total comprehensive income for the year	**543,295**	560,362
Total comprehensive income for the year attributable to:		
Owners of the Company	**520,360**	550,249
Non-controlling interests	**22,935**	10,113
	543,295	560,362

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**155,466**	124,541
Intangible assets		**68,632**	71,110
Goodwill		**29,838**	29,838
Interests in associates		**5,399,526**	4,991,653
Interest in a joint venture		**-**	-
Available-for-sale investments		**42,676**	-
Other financial asset		**49,421**	52,390
Loan and other receivables		**4,470**	8,733
		5,750,029	5,278,265
Current assets			
Inventories		**24,338**	12,458
Amounts due from customers for contract work		**461,531**	325,487
Debtors, deposits and prepayments	*12*	**967,373**	936,275
Amounts due from associates		**10,815**	11,384
Amount due from a joint venture		**321**	321
Amounts due from other partners of joint operations		**139,840**	66,601
Tax recoverable		**148**	1,482
Held-for-trading investments		**26,246**	61,717
Pledged bank deposits		**60**	30
Bank balances and cash		**453,200**	341,129
		2,083,872	1,756,884
Current liabilities			
Amounts due to customers for contract work		**648,641**	643,952
Creditors and accrued charges	*13*	**923,469**	692,938
Amount due to an associate		**13,264**	12,159
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**138,304**	69,849
Amounts due to non-controlling shareholders		**3,359**	3,359
Tax liabilities		**2,694**	1,073
Bank loans		**283,258**	224,407
		2,014,131	1,648,879
Net current assets		**69,741**	108,005
Total assets less current liabilities		**5,819,770**	5,386,270

	2014	2013
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**16,546**	17,432
Amount due to an associate	**5,406**	6,041
Bank loans	**12,000**	15,000
	39,702	44,223
Net assets	**5,780,068**	5,342,047
Capital and reserves		
Share capital	**79,312**	79,312
Share premium and reserves	**5,540,951**	5,125,333
Equity attributable to owners of the Company	**5,620,263**	5,204,645
Non-controlling interests	**159,805**	137,402
Total equity	**5,780,068**	5,342,047

Notes:

1. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs and new interpretation issued by the Hong Kong Institute of Certified Public Accountants:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The application of the above amendments to HKFRSs and new interpretation in the current year has had no material effect on the amounts reported and/or disclosures set out in the Group's consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plant[3]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]

[1] Effective for accounting periods beginning on or after 1st July, 2014.
[2] Effective for accounting periods beginning on or after 1st July, 2014, with limited exceptions.
[3] Effective for accounting periods beginning on or after 1st January, 2016.
[4] Effective for first annual financial statements beginning on or after 1st January, 2016.
[5] Effective for accounting periods beginning on or after 1st January, 2017.
[6] Effective for accounting periods beginning on or after 1st January, 2018.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related Interpretations when it becomes effective. The core principle of HKFRS 15 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 or services. Specifically, the Standard introduces 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 the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The management of the Group anticipates that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except as described above, the management anticipates that the application of the above new and revised HKFRSs will have no material effect on the Group’s consolidated financial statements.

2. Revenue

	2014	2013
	HK$'000	*HK$'000*
Revenue analysed by revenue from:		
Construction	**3,225,263**	2,193,098
Construction materials	**566,723**	335,843
Quarrying	**40,523**	16,968
	3,832,509	2,545,909

3. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. This is also the basis upon which the Group is organised. The Group's reportable and operating segments under HKFRS 8 are summarised as follows:

Construction
– construction of civil engineering and building projects

Construction materials
– production and sale of concrete

Quarrying
– production and sale of quarry products

Toll road and property development
– strategic investment in Road King Infrastructure Limited ("Road King"), an associate of the Group

Segment revenue and results

The following is an analysis of the segment revenue and profit (loss) for each reportable and operating segment:

Year ended 31st December, 2014

	Segment revenue			
	Gross	**Inter-segment elimination**	**External**	**Segment profit (loss)**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Construction	**3,237,341**	**(12,078)**	**3,225,263**	**28,248**
Construction materials	**662,917**	**(96,194)**	**566,723**	**38,030**
Quarrying	**171,202**	**(130,679)**	**40,523**	**(2,615)**
Toll road and property development	**-**	**-**	**-**	**398,988**
Total	**4,071,460**	**(238,951)**	**3,832,509**	**462,651**

Year ended 31st December, 2013

	Segment revenue			
	Gross	Inter-segment elimination	External	Segment profit (loss)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Construction	2,193,098	-	2,193,098	12,034
Construction materials	361,771	(25,928)	335,843	16,943
Quarrying	79,177	(62,209)	16,968	(8,290)
Toll road and property development	-	-	-	387,488
Total	2,634,046	(88,137)	2,545,909	408,175

Segment profit (loss) represents profit (loss) after tax and non-controlling interests for each reportable and operating segment and includes other income, investment income, gains and losses, share of results of associates and other gains and losses, but excluding corporate income and expenses (including staff costs, other administrative expenses and finance costs), share of results of associates, discount on acquisition of additional interest in an associate, gain on deemed acquisition of additional interest in an associate and loss on deemed disposal of partial interest in an associate which are not attributable to any of the reportable and operating segments and are classified as unallocated items. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Reconciliation of total segment profit to profit attributable to owners of the Company

	2014	2013
	HK$'000	*HK$'000*
Total segment profit	**462,651**	408,175
Unallocated items		
Other income	**8,813**	9,514
Investment income, gains and losses	**351**	2,065
Administrative expenses	**(15,969)**	(19,126)
Finance costs	**(5,320)**	(2,360)
Share of results of associates	**6,824**	(2)
Discount on acquisition of additional interest in an associate	**51,992**	18,853
Gain on deemed acquisition of additional interest in an associate	**34,222**	25,246
Loss on deemed disposal of partial interest in an associate	**(915)**	(2,160)
Profit attributable to owners of the Company	**542,649**	440,205

Segment assets and liabilities

As the Group's chief operating decision maker reviews the Group's assets and liabilities on a consolidated basis, no assets or liabilities are allocated to the reportable and operating segments. Therefore, no analysis of segment assets and liabilities is presented.

Other segment information

Amounts included in the measure of segment profit (loss):

Year ended 31st December, 2014

	Construction *HK$'000*	**Construction materials** *HK$'000*	**Quarrying** *HK$'000*	**Toll road and property development** *HK$'000*	**Segment total** *HK$'000*	**Adjustments** *HK$'000* *(note)*	**Intra-group elimination** *HK$'000*	**Total** *HK$'000*
Depreciation of property, plant and equipment	**(15,659)**	**(25,811)**	**(3,892)**	**-**	**(45,362)**	**(383)**	**-**	**(45,745)**
Goodwill written off	**(2,177)**	**-**	**-**	**-**	**(2,177)**	**-**	**-**	**(2,177)**
Allowance for doubtful debts	**-**	**(3,043)**	**-**	**-**	**(3,043)**	**-**	**-**	**(3,043)**
Gain on disposal of property, plant and equipment, net	**280**	**-**	**-**	**-**	**280**	**-**	**-**	**280**
Interest income	**1,443**	**-**	**517**	**-**	**1,960**	**3,949**	**(3,768)**	**2,141**
Finance costs	**(3,559)**	**(3,967)**	**-**	**-**	**(7,526)**	**(5,320)**	**3,768**	**(9,078)**
Share of results of associates	**619**	**-**	**266**	**398,988**	**399,873**	**6,824**	**-**	**406,697**
Income tax expense	**(1,907)**	**-**	**-**	**-**	**(1,907)**	**-**	**-**	**(1,907)**

Year ended 31st December, 2013

	Construction *HK$'000*	Construction materials *HK$'000*	Quarrying *HK$'000*	Toll road and property development *HK$'000*	Segment total *HK$'000*	Adjustments *HK$'000* *(note)*	Intra-group elimination *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	(15,224)	(21,472)	(3,382)	-	(40,078)	(569)	-	(40,647)
Impairment loss on property, plant and equipment	-	-	(5,500)	-	(5,500)	-	-	(5,500)
Gain (loss) on disposal of property, plant and equipment, net	91	(71)	277	-	297	-	-	297
Interest income	1,672	-	665	-	2,337	5,802	(5,614)	2,525
Finance costs	(4,324)	(5,766)	-	-	(10,090)	(2,360)	5,614	(6,836)
Share of results of associates	643	-	(304)	387,488	387,827	(2)	-	387,825
Income tax expense	(1,495)	-	-	-	(1,495)	-	-	(1,495)

Note: Adjustments represent unallocated amounts related to head office and other minor operations.

Geographical information

The Group's operations are located in the Hong Kong Special Administrative Region ("Hong Kong") (country of domicile), other regions in the People's Republic of China (the "PRC") and Middle East.

The Group's revenue from external customers by geographical location of the customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets** *(note)*	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**3,810,095**	2,518,010	**5,473,357**	5,094,059
The PRC	**22,414**	27,899	**39,458**	44,419
Middle East	**-**	-	**1,019**	1,074
Others	**-**	-	**139,628**	77,590
	3,832,509	2,545,909	**5,653,462**	5,217,142

Note: Non-current assets include all non-current assets except available-for-sale investments, other financial asset and loan and other receivables.

Information about customers

Two (2013: two) customers of the construction segment located in Hong Kong individually contributing over 10% of the Group's revenue.

	2014	2013
	HK$'000	*HK$'000*
Customer A	**1,681,236**	1,062,937
Customer B	**969,298**	711,608
	2,650,534	1,774,545

4. Other Income

	2014	2013
	HK$'000	*HK$'000*
Other income includes:		
Interest on bank deposits	**141**	276
Interest on amount due from an associate	**180**	187
Interest on other financial asset	**1,347**	1,430
Imputed interest on loan and other receivables	**473**	632
Insurance claim on loss of plant and machinery	**301**	2,169
Operation fee income	**20,942**	16,919
Rental income from land and buildings	**3,469**	2,451
Rental income from plant and machinery	**3,000**	3,000
Service income from an associate	**60**	60

5. Investment Income, Gains and Losses

	2014	2013
	HK$'000	*HK$'000*
(Loss) gain on change in fair value of held-for-trading investments, net	**(4,216)**	4,450
Dividend income from held-for-trading investments	**1,949**	1,698
Interest income from held-for-trading investments	**807**	2,959
	(1,460)	9,107

6. Finance Costs

	2014	2013
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**8,608**	6,401
Imputed interest on non-current interest-free amount due to an associate	**470**	435
	9,078	6,836

7. Other Gains and Losses

	2014	2013
	HK$'000	*HK$'000*
Discount on acquisition of additional interest in an associate	**51,992**	18,853
Gain on deemed acquisition of additional interest in an associate	**34,222**	25,246
Loss on deemed disposal of partial interest in an associate	**(915)**	(2,160)
Gain on disposal of property, plant and equipment, net	**280**	297
	85,579	42,236

8. Profit Before Tax

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

	2014	2013
	HK$'000	*HK$'000*
Auditor's remuneration		
Current year	**2,631**	2,572
Underprovision in prior year	**387**	-
	3,018	2,572
Allowance for doubtful debts	**3,043**	-
Amortisation of intangible assets	**1,519**	1,342
Depreciation of property, plant and equipment	**68,024**	57,347
Less: Amount attributable to construction contracts	**(22,279)**	(16,700)
	45,745	40,647
Exchange loss, net	**305**	330
Goodwill written off	**2,177**	-
Hire charges for plant and machinery	**133,577**	93,092
Less: Amount attributable to construction contracts	**(133,577)**	(93,092)
	-	-
Impairment loss on property, plant and equipment	**-**	5,500
Operating lease rentals in respect of land and buildings	**57,526**	48,060
Less: Amount attributable to construction contracts	**(9,834)**	(2,178)
	47,692	45,882
Share of income tax expense of associates (included in share of results of associates)	**581,689**	578,715
Staff costs	**636,919**	509,193
Less: Amount attributable to construction contracts	**(442,108)**	(364,829)
	194,811	144,364

9. Income Tax Expense

	2014	2013
	HK$'000	*HK$'000*
Current tax		
The PRC	**1,690**	1,484
Under(over)provision in prior years		
Hong Kong	**204**	(6)
The PRC	**13**	17
	217	11
	1,907	1,495

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made for both years since the estimated assessable profits have been wholly offset by tax losses brought forward from prior years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate for the PRC subsidiaries is 25% for both years.

10. Dividends

Dividends paid and recognised as distributions during the year:

	2014	2013
	HK$'000	*HK$'000*
2013 final dividend – HK10.2 cents per share (2013: 2012 final dividend – HK7.7 cents per share)	**80,899**	61,070
2014 interim dividend – HK3.0 cents per share (2013: 2013 interim dividend – HK4.3 cents per share)	**23,793**	34,105
	104,692	95,175

A final dividend for the year ended 31st December, 2014 of HK13.5 cents (2013: HK10.2 cents) per ordinary share amounting to HK$107,072,000 (2013: HK$80,899,000) has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting. This final dividend has not been included as a liability in the consolidated financial statements.

11. Earnings Per Share

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

	2014	2013
	HK\$'000	*HK\$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**542,649**	440,205
Effect of dilutive potential ordinary shares:		
Decrease in share of profit of an associate arising from assumed exercise of share options issued by that associate	**(182)**	(854)
Earnings for the purpose of diluted earnings per share	**542,467**	439,351

	2014	2013
Number of ordinary shares for the purposes of basic and diluted earnings per share	**793,124,034**	793,124,034

12. Debtors, Deposits and Prepayments

	2014	2013
	HK\$'000	*HK\$'000*
Trade debtors	**621,864**	590,134
Less: Allowance for doubtful debts	**(3,666)**	(623)
	618,198	589,511
Retention receivables	**240,235**	195,401
Other debtors	**41,860**	66,153
Deposits and prepayments	**62,818**	81,113
Loan and other receivables	**4,262**	4,097
	967,373	936,275

The Group allows an average credit period of 60 days to its trade customers. For retention receivables in respect of construction contracts, the due dates are usually one year after the completion of the construction works. The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date:

	2014	2013
	HK$'000	*HK$'000*
Trade debtors		
0 to 60 days	**602,688**	580,599
61 to 90 days	**7,773**	8,404
Over 90 days	**7,737**	508
	618,198	589,511
Retention receivables		
Due within one year	**66,745**	109,220
Due after one year	**173,490**	86,181
	240,235	195,401

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Limits and scores attributed to customers are reviewed periodically.

At 31st December, 2014, the Group's trade debtors and retention receivables included amounts of HK$22,341,000 (2013: HK$1,495,000) and HK$10,315,000 (2013: HK$67,000) respectively due from a related company which is an indirect wholly owned subsidiary of a substantial shareholder of the Company.

13. Creditors and Accrued Charges

	2014	2013
	HK$'000	*HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**256,738**	128,615
61 to 90 days	**21,519**	21,556
Over 90 days	**38,267**	13,806
	316,524	163,977
Retention payables	**194,730**	133,432
Accrued project costs	**323,236**	317,085
Other creditors and accrued charges	**88,979**	78,444
	923,469	692,938
Retention payables		
Due within one year	**52,412**	70,148
Due after one year	**142,318**	63,284
	194,730	133,432

The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe. For retention payables in respect of construction contracts, the due dates are usually one year after the completion of the construction works.

DIVIDENDS

The Board recommends the payment of a final dividend of HK13.5 cents (2013: HK10.2 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Friday, 22nd May, 2015. This dividend together with the interim dividend of HK3 cents (2013: HK4.3 cents) per ordinary share paid during the year represent total dividend distributions of HK16.5 cents (2013: HK14.5 cents) per ordinary share for the year ended 31st December, 2014.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, it is expected that the payment of final dividend will be made on or before Thursday, 18th June, 2015.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 15th May, 2015, the register of members of the Company will be closed from Wednesday, 13th May, 2015 to Friday, 15th May, 2015, both days 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 transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 12th May, 2015.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is on Friday, 22nd May, 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 21st May, 2015 to Friday, 22nd May, 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 20th May, 2015.

BUSINESS REVIEW

For the year ended 31st December, 2014, the Group's revenue was HK$3,833 million (2013: HK$2,546 million), generating an audited consolidated profit attributable to owners of the Company of HK$543 million (2013: HK$440 million), an increase of 23% as compared with that of 2013.

Toll Road and Property Development

For the year ended 31st December, 2014, the Group shared a profit of HK$399 million (2013: HK$387 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 39.82% interest in Road King.

During the year ended 31st December, 2014, Road King issued 155,000 (2013: 648,000) ordinary shares upon exercise of share options granted to the employees of Road King under the share option scheme of Road King. As the shares were issued at an exercise price lower than the net assets value per share of Road King, the Group recorded an aggregate loss of HK$1 million (2013: HK$2 million) on deemed disposal of partial interest in Road King. On the other hand, the Group purchased 5,062,000 (2013: 2,155,000) ordinary shares in Road King at an aggregate consideration below the additional net assets value shared by the Group and hence recognised an aggregate discount of HK$52 million (2013: HK$19 million) on acquisition of additional interest in Road King. Furthermore, Road King repurchased and cancelled 5,637,000 (2013: 7,404,000) ordinary shares, resulting in an aggregate gain of HK$34 million (2013: HK$25 million) recorded by the Group on deemed acquisition of additional interest in Road King. As a result, the net effect of these transactions increased the Group's interest in Road King by 0.99% (2013: 0.64%).

For the year ended 31st December, 2014, Road King recorded an audited profit attributable to its owners of HK$1,005 million (2013: HK$1,002 million), a slight increase of 0.3% as compared with that of 2013.

Road King's share of operating profits of toll road joint ventures declined from HK$180 million in 2013 to HK$157 million in 2014. This was mainly due to an increase in amortisation after the commencement of the operation of Machao Expressway and withholding tax provision.

In 2014, the total traffic volume and toll revenue of Road King's toll road projects were 72 million vehicles and RMB1,928 million respectively. Toll revenue contributed by expressway projects represented approximately 96% of that of Road King's toll road business.

Relevant documentations and approvals for the acquisition of 49% equity interests in Machao Expressway in Anhui Province were completed in the first half of 2014. The successful completion of the acquisition of Machao Expressway will uplift the results of toll road business.

Due to the tightening of monetary policies and ongoing macro-control implemented in the first half of 2014, the customers tended to be cautious on property purchase. Following the relaxation of "first home" criteria and interest cuts, the property market witnessed a slight return of growth in both sales volume and property prices during the second half of the year. Road King recorded the sales (including joint venture projects) of RMB10,411 million for 2014, with an average selling price of approximately RMB10,000 per sqm.

By steadily improving the turnover rate and further optimising product design and cost structure, Road King continued to record an increase in revenue and maintained reasonable growth in profit. Revenue in 2014 was HK$12,730 million, representing a growth of about 11% from the previous year, and mainly contributed by the delivery of the projects in the Yangtze River Delta and the Bohai Rim regions. The total area delivered in 2014 was 976,000 sqm, with an average price of approximately RMB10,700 per sqm, representing a slight growth as compared with that in 2013. The segment profit of the property business increased to HK$1,061 million.

At 31st December, 2014, Road King's land reserve was over 5,300,000 sqm.

For toll road business, Road King holds the view that it would provide long term steady cash flows and returns and will solicit appropriate expressway projects by leveraging its reputation in the industry and management experience obtained over the past two decades, with a view to expanding its expressway portfolio further and creating solid returns for its shareholders continuously.

For the property business, with years of implementation, experience and efforts, Road King has developed a track record. In the following year, Road King will continue to adopt the strategy that maintains deeper exploitation, and balances profitability and sales volume. Road King will focus on providing residential properties and relevant amenities, enhancing the strategic cooperation with its partners, and further optimising its product quality and cost structure. In doing so, Road King aims to increase the profit margin of its products, establish long-standing brand recognition and further reinforce its position in the industry.

Construction

For the year ended 31st December, 2014, the Group shared a profit of HK$28 million (2013: HK$12 million) from Build King Holdings Limited ("Build King"), the construction arm of the Group. As of the date of this announcement, the Group holds 51.17% interest in Build King.

For the year ended 31st December, 2014, Build King recorded revenue of HK$3,237 million (2013: HK$2,193 million) and an audited profit attributable to its owners of HK$55 million (2013: HK$21 million), an increase of 162% as compared with that of 2013. This comprises profit of HK$57 million (2013: HK$14 million) from construction operation and loss of HK$2 million (2013: profit of HK$7 million) from investment in listed securities.

The significant improvement of the results was within budget largely as a result of projects awarded in past two years reaching a mature stage thereby contributing to both turnover and profits. The gross profit margin for the year increased from 6% in 2013 to 6.8%, reflecting the healthier margins for works on hand. With the heavy tendering activity in the year, the overhead cost increased by 36% from HK$120 million in 2013 to HK$163 million in 2014. Overall, Build King achieved a profit to turnover ratio of 1.6%, a significant improvement from the 0.9% in 2013.

Build King secured four new projects during the year with a total contract sum of HK$2.6 billion. As of the date of this announcement, the outstanding value of contracts on hand was HK$8.1 billion.

Overall, the results of major civil projects in progress were satisfactory except for one tunnel project where geotechnical difficulties continued to be encountered.

Build King's building division continues its expansion. The turnover for 2014 increased significantly from HK$314 million for 2013 to HK$624 million.

At Wuxi City, the revenue and profit of the sewage treatment plant for 2014 was HK$22 million and HK$9 million respectively. During the year, the volume of sewage maintained a steady increase from an average of 35,000 tonnes per day in 2013 to 37,000 tonnes per day in 2014. Given the designed capacity of 50,000 tonnes per day, there are significant rooms for future growth. Further, Build King is actively seeking new opportunities in similar environmental projects in China.

Construction Materials

For the year ended 31st December, 2014, the construction materials division recorded revenue of HK$663 million (2013: HK$362 million) and a net profit of HK$38 million (2013: HK$17 million).

The considerable improvement in the results as compared with that of last year was due to the previous secured orders reaching its peak demand stage in 2014. The division continues to focus on optimizing and coordinating customers' orders whilst maintaining good service and quality of product.

Management continues adopting prudent cost control measures with intention to alleviate the challenge of increase in raw materials costs and severe competition from the existing operators.

With some of the existing projects nearing completion later in 2015, we will continue to look for opportunities to sustain long term growth of the division.

Quarrying

For the year ended 31st December, 2014, the quarrying division recorded revenue of HK$171 million (2013: HK$79 million) and a net loss of HK$3 million (2013: net loss of HK$8 million).

In 2014, despite the raise in costs for production of aggregates at Niu Tou Island has been eased up slightly under the cost control measure, the quarrying division was still suffering loss because the slim profit margin was insufficient to cover overheads in the island. Further to the perpetual exercise in the cost control measure in order to improve the profit margin, the management is also actively pursuing an additional source of aggregates of which its quality and stability are in compliance with the Hong Kong requirements and standards.

Property Funds

Grand China Cayman Investors III, Limited ("Grand China Fund"), in which the Group holds 34.6% interest, indirectly holds 39.9% interest in a US company ("US Company I"). US Company I is now holding a property portfolio comprising of nine residential rental properties in Houston. In 2014, the occupancy rates of these nine properties were around 95% on average. During the year, the Group received dividends of US$0.4 million (equivalent to HK$3.0 million) from Grand China Fund.

The Group invested US$7.5 million (equivalent to HK$58.2 million) in Elite International Investment Fund I LP ("Elite Fund") in the first half year of 2014, representing 30% interest in Elite Fund which indirectly holds 75% interest in another US company ("US Company II"). It is expected that US Company II will complete the construction of a 7-storey complex on a land in Los Angeles in the second half of 2016.

In the fourth quarter of 2014, the Group invested another US$5.5 million (equivalent to HK$42.7 million) in Grand China Overseas Investment Fund, Ltd. and Grand China Overseas Investment Management Co., Ltd. (collectively "GCOI Fund"). It is a fund of funds which in turn invested in a number of sub-funds. Each sub-fund will focus on a unique project in USA. Up to the end of 2014, GCOI Fund has targeted for three development projects and one re-development project in USA.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings increased from HK$239 million to HK$295 million with the maturity profile summarised as follows:

	31st December, 2014	2013
	HK$'million	*HK$'million*
Within one year	**227**	166
In the second year	**63**	30
In the third to fifth year inclusive	**5**	43
	295	239
Classified under:		
Current liabilities *(note)*	**283**	224
Non-current liabilities	**12**	15
	295	239

Note: At 31st December, 2014, bank loans that are repayable over one year after the end of the reporting period but contain a repayment on demand clause with an aggregate carrying amount of HK$56 million (2013: HK$58 million) have been classified as current liabilities.

During the year, the Group had no significant fixed-rate borrowings and had no financial instruments for hedging purpose.

At 31st December, 2014, total amount of the Group's bank balances and cash was HK$453 million (2013: HK$341 million), of which bank deposits amounting to HK$0.06 million (2013: HK$0.03 million) were pledged to banks to secure certain general banking facilities granted to the Group.

For the year ended 31st December, 2014, the Group recorded finance costs of HK$9 million (2013: HK$7 million).

At 31st December, 2014, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$26 million (2013: HK$62 million), comprising equity securities listed in Hong Kong. Certain listed equity securities held by Build King with a market value of HK$20 million (2013: HK$22 million) were pledged to a bank to secure certain general banking facilities granted to Build King. For the year ended 31st December, 2014, the Group recorded a net loss (net amount of change in fair value, dividend and interest income) of HK$1 million (2013: net profit of HK$9 million) from these investments, of which net loss of HK$2 million (2013: net profit of HK$7 million) was derived from the securities invested by Build King.

The Group's borrowings, investments and bank balances are principally denominated in Hong Kong dollar, Renminbi and United States dollar. However, as those amounts denominated in Renminbi and United States dollar are insignificant, there is no significant exposure to foreign exchange rate fluctuations.

Capital Structure and Gearing Ratio

At 31st December, 2014, the equity attributable to owners of the Company amounted to HK$5,620 million, representing HK$7.09 per share (2013: HK$5,205 million, representing HK$6.56 per share). Increase in equity attributable to owners of the Company was mainly attributable to the profit generated after deduction of dividends paid during the year.

At 31st December, 2014, the gearing ratio, representing the ratio of interest bearing borrowings to equity attributable to owners of the Company, was 5.3% (2013: 4.6%) and the net gearing ratio, representing the ratio of net borrowings (interest bearing borrowings less bank balances and cash) to equity attributable to owners of the Company, was -2.8% (2013: -2.0%) as a result of total amount of bank balances and cash exceeded total amount of interest bearing borrowings.

Pledge of Assets

At 31st December, 2014, apart from the bank deposits and certain listed equity securities pledged to banks to secure certain general banking facilities granted to the Group, certain motor vehicles with an aggregate carrying value of HK$6 million (2013: HK$14 million) were pledged to secure a bank loan granted to the Group. In addition, the share of a subsidiary of the Company was pledged to secure certain bank loans granted to the Group.

Capital Commitments

At 31st December, 2014, the Group has committed capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the Group's consolidated financial statements amounting to HK$6 million (2013: HK$18 million) and has no committed capital expenditure authorised but not contracted for (2013: HK$0.8 million).

Contingent Liabilities

At 31st December, 2014, the Group had outstanding tender/performance/retention bonds in respect of construction contracts amounting to HK$234 million (2013: HK$248 million).

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2014, the Group had 1,600 employees (2013: 1,288 employees), of which 1,484 (2013: 1,165) were located in Hong Kong, 112 (2013: 114) were located in the PRC and 4 (2013: 9) were located in UAE. For the year ended 31st December, 2014, the Group's total staff costs were HK$637 million (2013: HK$509 million).

Competitive remuneration packages are structured to commensurate with individual responsibilities, qualification, experience and performance. In addition, discretionary bonuses may be paid depending upon the financial performance of the Group as well as the performance of the individual.

The emoluments of Executive Directors and senior management are determined by the Remuneration Committee with reference to salaries paid by comparable companies, their time commitment and responsibilities, employment conditions and prevailing market conditions.

FUTURE OUTLOOK

Benefiting from the buoyant construction industry in Hong Kong, the performance of the Group's construction division and construction materials division are considerable improved. However, increased in raw materials costs and labour costs continues eroding the profit margins of the Group. The Group would continue implementing measures to control costs.

The performance of the property funds in 2014 is in line with budget. The Group continues closely monitoring the performance of the property funds.

We will keep looking for investment opportunities that create synergy for the Group to enhance the growth of the Group. In making investment decision, we will continue to cautiously consider our financial capability.

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 the year ended 31st December, 2014.

CORPORATE GOVERNANCE CODE

The Company is committed to attaining good standard of corporate governance practices with an emphasis on a quality board, better transparency, and effective accountability system in order to enhance shareholders' value.

Throughout the year of 2014, the Company has complied with the code provisions of Corporate Governance Code as set out 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") except for code provision of A.2.1.

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The duties of the Chairman and the Vice Chairman of the Board are clearly set out in writing and are separate. Prior to 15th August, 2014, the Company did not have any officer with the title "chief executive officer". Nevertheless, the Vice Chairman carried out the duties of the chief executive officer of the Company and had done so since 1992. He was formerly designated the "managing director" of the Company until 1998 when his title was changed to "Vice Chairman".

On 15th August, 2014, Mr. Derek Zen Wei Peu, the Vice Chairman, has been appointed as the Chief Executive Officer of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has conducted a meeting with the management and external auditor to review the accounting policies adopted by the Group, the Group's consolidated financial statements for the year ended 31st December, 2014, the general scope of audit work conducted by the external auditor and assessment of the Group's internal controls.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Academy Room I-II, 1st Floor, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 15th May, 2015 at 3:30 p.m. and the Notice of the Annual General Meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.waikee.com) and the Stock Exchange's website (www.hkexnews.hk). The Annual Report 2014 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange, and despatched to the shareholders in due course.

APPRECIATION

The Board would like to take this opportunity to extend its heartiest thanks to our shareholders, business partners, directors and our loyal and dedicated staff.

By Order of the Board
William Zen Wei Pao
Chairman

Hong Kong, 12th March, 2015

At the date of this announcement, the Board comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, three non-executive directors, namely Mr. Patrick Lam Wai Hon, Mr. Brian Cheng Chi Ming and Dr. Leslie Cheng Chi Pang, and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.