WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

Financial Performance Highlights

Revenue	**HK$2,543 million**
Profit attributable to owners of the Company	**HK$132 million**
Basic earnings per share	**HK16.64 cents**
Interim dividend per share	**HK3.3 cents**
Equity attributable to owners of the Company per share	**HK$7.10**

RESULTS

The board of directors (the "Board") of Wai Kee Holdings Limited (the "Company") announces the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

		Six months ended 30th June,	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**2,543,381**	1,611,414
Cost of sales		**(2,330,848)**	(1,419,999)
Gross profit		**212,533**	191,415
Other income	*5*	**23,955**	16,728
Investment income, gains and losses	*6*	**8,404**	942
Selling and distribution costs		**(38,467)**	(33,667)
Administrative expenses		**(142,151)**	(133,607)
Finance costs	*7*	**(6,147)**	(4,397)
Share of results of associates		**94,385**	77,558
Other gains and losses	*8*	**(433)**	25,318
Profit before tax	*9*	**152,079**	140,290
Income tax expense	*10*	**(1,095)**	(225)
Profit for the period		**150,984**	140,065
Profit for the period attributable to:			
Owners of the Company		**131,998**	127,651
Non-controlling interests		**18,986**	12,414
		150,984	140,065
		HK cents	*HK cents*
Earnings per share	*12*		
- Basic		**16.64**	16.09
- Diluted		**16.64**	16.09

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**150,984**	140,065
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**114**	(2,549)
Share of translation reserves of associates	**(13,415)**	48,049
Other comprehensive (expense) income for the period	**(13,301)**	45,500
Total comprehensive income for the period	**137,683**	185,565
Total comprehensive income for the period attributable to:		
Owners of the Company	**118,639**	174,442
Non-controlling interests	**19,044**	11,123
	137,683	185,565

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30TH JUNE, 2015

	Notes	30th June, 2015 (Unaudited) HK$'000	31st December, 2014 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**159,358**	155,466
Intangible assets		**67,909**	68,632
Goodwill		**29,838**	29,838
Interests in associates		**5,374,084**	5,399,526
Available-for-sale investments		**42,676**	42,676
Other financial asset		**48,514**	49,421
Loan and other receivables		**2,275**	4,470
Deposits paid for acquisition of property, plant and equipment		**18,641**	-
		5,743,295	5,750,029
Current assets			
Inventories		**21,219**	24,338
Amounts due from customers for contract work		**424,771**	461,531
Debtors, deposits and prepayments	*13*	**990,449**	967,373
Amounts due from associates		**10,369**	10,815
Amount due from a joint venture		**321**	321
Amounts due from other partners of joint operations		**188,217**	139,840
Tax recoverable		**22**	148
Held-for-trading investments		**33,138**	26,246
Pledged bank deposits		**70**	60
Bank balances and cash		**721,549**	453,200
		2,390,125	2,083,872
Current liabilities			
Amounts due to customers for contract work		**665,457**	648,641
Creditors and accrued charges	*14*	**1,058,351**	923,469
Amount due to an associate		**15,297**	13,264
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**157,377**	138,304
Amounts due to non-controlling shareholders		**3,359**	3,359
Tax liabilities		**1,844**	2,694
Bank loans		**297,812**	283,258
		2,200,639	2,014,131
Net current assets		**189,486**	69,741
Total assets less current liabilities		**5,932,781**	5,819,770

	30th June, 2015 (Unaudited) *HK$'000*	31st December, 2014 (Audited) *HK$'000*
Non-current liabilities		
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**16,340**	16,546
Amount due to an associate	**4,554**	5,406
Bank loans	**24,000**	12,000
Bonds	**75,562**	-
	126,206	39,702
Net assets	**5,806,575**	5,780,068
Capital and reserves		
Share capital	**79,312**	79,312
Share premium and reserves	**5,552,518**	5,540,951
Equity attributable to owners of the Company	**5,631,830**	5,620,263
Non-controlling interests	**174,745**	159,805
Total equity	**5,806,575**	5,780,068

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2015 are the same as those followed in the preparation of the consolidated financial statements for the year ended 31st December, 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (hereinafter collectively referred to as the "revised HKFRSs") issued by the HKICPA:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in the condensed consolidated financial statements.

3. REVENUE

	Six months ended 30th June,	
	2015	2014
	HK$'000	*HK$'000*
Revenue analysed by revenue from:		
Construction	**2,290,817**	1,340,442
Construction materials	**237,925**	251,405
Quarrying	**14,639**	19,567
	2,543,381	1,611,414

4. 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, 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:

Six months ended 30th June, 2015

	Segment revenue			
	Gross	**Inter-segment elimination**	**External**	**Segment profit**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Construction	**2,296,528**	**(5,711)**	**2,290,817**	**20,028**
Construction materials	**304,525**	**(66,600)**	**237,925**	**23,603**
Quarrying	**90,680**	**(76,041)**	**14,639**	**1,911**
Toll road and property development	**-**	**-**	**-**	**90,811**
Total	**2,691,733**	**(148,352)**	**2,543,381**	**136,353**

Six months ended 30th June, 2014

	Segment revenue			
	Gross	Inter-segment elimination	External	Segment profit (loss)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Construction	1,344,823	(4,381)	1,340,442	13,154
Construction materials	281,181	(29,776)	251,405	17,647
Quarrying	76,611	(57,044)	19,567	(1,232)
Toll road and property development	-	-	-	77,490
Total	1,702,615	(91,201)	1,611,414	107,059

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, loss on deemed disposal of partial interest in an associate and gain on disposal of property, plant and equipment 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

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Total segment profit	**136,353**	107,059
Unallocated items		
Other income	**3,317**	4,114
Investment income, gains and losses	**786**	299
Administrative expenses	**(8,304)**	(6,490)
Finance costs	**(2,644)**	(2,607)
Share of results of associates	**3,238**	(1)
Discount on acquisition of additional interest in an associate	**40,433**	20,961
Gain on deemed acquisition of additional interest in an associate	**-**	5,069
Loss on deemed disposal of partial interest in an associate	**(41,291)**	(753)
Gain on disposal of property, plant and equipment	**110**	-
Profit attributable to owners of the Company	**131,998**	127,651

5. OTHER INCOME

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Other income includes:		
Interest on bank deposits	**40**	67
Interest on amount due from an associate	**76**	93
Interest on other financial asset	**650**	674
Imputed interest on loan and other receivables	**175**	256
Government subsidy	**2,511**	-
Operation fee income	**10,180**	7,834
Rental income from land and buildings	**1,827**	1,601
Rental income from plant and machinery	**625**	1,500
Service income from an associate	**30**	30

6. INVESTMENT INCOME, GAINS AND LOSSES

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Gain (loss) on change in fair value of held-for-trading investments, net	**6,892**	(899)
Dividend income from held-for-trading investments	**1,512**	1,353
Interest income from held-for-trading investments	**-**	488
	8,404	942

7. FINANCE COSTS

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**4,005**	4,162
Interest on bonds	**1,889**	-
Imputed interest on non-current interest-free amount due to an associate	**253**	235
	6,147	4,397

8. OTHER GAINS AND LOSSES

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Discount on acquisition of additional interest in an associate	**40,433**	20,961
Gain on deemed acquisition of additional interest in an associate	**-**	5,069
Loss on deemed disposal of partial interest in an associate	**(41,291)**	(753)
Gain on disposal of property, plant and equipment, net	**425**	41
	(433)	25,318

9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Allowance for doubtful debts	**-**	2,442
Amortisation of intangible assets	**760**	759
Depreciation of property, plant and equipment	**36,077**	33,142
Less: Amount attributable to construction contracts	**(9,972)**	(11,258)
	26,105	21,884
Share of income tax expense of associates (included in share of results of associates)	**169,255**	189,242

10. INCOME TAX EXPENSE

	Six months ended 30th June, 2015	2014
	HK$'000	*HK$'000*
Underprovision in prior years		
Hong Kong	**1,049**	213
The People's Republic of China (the "PRC")	**46**	12
	1,095	225

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision for Hong Kong Profits Tax has been made for both periods 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 periods. No provision for the PRC income tax has been made for both periods as there is no assessable profits.

11. DIVIDEND

Dividend paid and recognised as distribution during the period:

	Six months ended 30th June, 2015 *HK$'000*	2014 *HK$'000*
2014 final dividend - HK13.5 cents per share (six months ended 30th June, 2014: 2013 final dividend - HK10.2 cents per share)	**107,072**	80,899

An interim dividend for the six months ended 30th June, 2015 of HK3.3 cents (six months ended 30th June, 2014: HK3.0 cents) per ordinary share was approved by the board of directors of the Company on 20th August, 2015. This interim dividend has not been included as a liability in the condensed consolidated financial statements.

12. 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:

	Six months ended 30th June, 2015 *HK$'000*	2014 *HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	**131,998**	127,651
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	**(39)**	(47)
Earnings for the purpose of diluted earnings per share	**131,959**	127,604

	Six months ended 30th June, 2015	2014
Number of ordinary shares for the purposes of basic and diluted earnings per share	**793,124,034**	793,124,034

13. DEBTORS, DEPOSITS AND PREPAYMENTS

	30th June, 2015	31st December, 2014
	HK$'000	*HK$'000*
Trade debtors	**590,612**	618,198
Retention receivables	**273,266**	240,235
Other debtors	**37,132**	41,860
Deposits and prepayments	**85,091**	62,818
Loan and other receivables	**4,348**	4,262
	990,449	967,373

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:

	30th June, 2015	31st December, 2014
	HK$'000	*HK$'000*
Trade debtors		
0 to 60 days	**561,379**	602,688
61 to 90 days	**12,928**	7,773
Over 90 days	**16,305**	7,737
	590,612	618,198
Retention receivables		
Due within one year	**64,765**	66,745
Due after one year	**208,501**	173,490
	273,266	240,235

At 30th June, 2015, the Group's trade debtors and retention receivables included amounts of HK$28,073,000 (31st December, 2014: HK$22,341,000) and HK$19,029,000 (31st December, 2014: HK$10,315,000) respectively due from a related company which is an indirect wholly owned subsidiary of a substantial shareholder of the Company.

14. CREDITORS AND ACCRUED CHARGES

	30th June, 2015 *HK$'000*	31st December, 2014 *HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**195,377**	256,738
61 to 90 days	**10,516**	21,519
Over 90 days	**27,173**	38,267
	233,066	316,524
Retention payables	**223,501**	194,730
Accrued project costs	**480,715**	323,236
Other creditors and accrued charges	**121,069**	88,979
	1,058,351	923,469
Retention payables		
Due within one year	**55,448**	52,412
Due after one year	**168,053**	142,318
	223,501	194,730

INTERIM DIVIDEND

The Board has declared an interim dividend of HK3.3 cents (six months ended 30th June, 2014: HK3.0 cents) per ordinary share for the six months ended 30th June, 2015 to the shareholders of the Company whose names appear in the register of members of the Company on Wednesday, 9th September, 2015.

It is expected that the payment of the interim dividend will be made on or before Wednesday, 7th October, 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 8th September, 2015 to Wednesday, 9th September, 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares 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 for registration not later than 4:00 p.m. on Monday, 7th September, 2015.

BUSINESS REVIEW

For the six months ended 30th June, 2015, the Group's revenue was HK$2,543 million (six months ended 30th June, 2014: HK$1,611 million), generating an unaudited profit attributable to owners of the Company of HK$132 million (six months ended 30th June, 2014: HK$128 million), an increase of 3% as compared with that of 2014.

Toll Road and Property Development

For the six months ended 30th June, 2015, the Group shared a profit of HK$91 million (six months ended 30th June, 2014: HK$77 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 39.94% interest in Road King.

During the six months ended 30th June, 2015, Road King issued 10,240,000 (six months ended 30th June, 2014: 125,000) ordinary shares upon exercise of share options granted to the directors and employees of Road King under the share option schemes of Road King. As the shares were issued at exercise prices lower than the net assets value per share of Road King, the Group recorded an aggregate loss of HK$41 million (six months ended 30th June, 2014: HK$1 million) on deemed disposal of partial interest in Road King. On the other hand, the Group purchased 4,000,000 (six months ended 30th June, 2014: 2,062,000) 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$40 million (six months ended 30th June, 2014: HK$21 million) on acquisition of additional interest in Road King. During the six months ended 30th June, 2014, Road King repurchased and cancelled 1,328,000 ordinary shares, resulting in an aggregate gain of HK$5 million recorded by the Group on deemed acquisition of additional interest in Road King but there was no repurchase and cancellation of shares by Road King during the six months ended 30th June, 2015. As a result, the net effect of these transactions decreased the Group's interest in Road King by 0.01% (six months ended 30th June, 2014: increased by 0.34%).

For the six months ended 30th June, 2015, Road King recorded an unaudited profit attributable to its owners of HK$228 million (six months ended 30th June, 2014: HK$198 million), an increase of 15% as compared with that of 2014.

Toll revenue of the existing toll road portfolio reached RMB1,035 million in the first half of the year, represented an increase of 13% as compared with the corresponding period of last year. The average daily traffic volume reached 205,000 vehicles.

Property sales (including joint venture projects) amounted to RMB5,628 million, representing a 17% increase over the corresponding period of last year, of which the contracted sales and outstanding subscribed sales were RMB5,108 million and RMB520 million respectively.

In the first half of 2015, Road King acquired two pieces of land in Luoyang and Langfang through listing-for-sale and subscription for trust units of an investment fund respectively for residential developments with an aggregate floor area of 777,000 sqm. At 30th June, 2015, Road King's land reserve was over 5,800,000 sqm.

For the toll road business, it keeps on providing steady cash flows. Road King will continue to solicit appropriate expressway projects, with a view to expanding its expressway portfolio further.

For the property development business, with years of implementation and efforts, Road King will continue to adopt the strategy that maintains deeper exploitation, balances between profitability and sales volume, continuously optimises its product quality, and reinforces its position in the property industry in mainland China. At the same time, Road King will also actively seek suitable cooperation opportunity, effectively control the costs to increase its operating profit.

Construction

For the six months ended 30th June, 2015, the Group shared a profit of HK$20 million (six months ended 30th June, 2014: HK$13 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 six months ended 30th June, 2015, Build King recorded revenue of HK$2,297 million (six months ended 30th June, 2014: HK$1,345 million) and an unaudited profit attributable to its owners of HK$39 million (six months ended 30th June, 2014: HK$26 million), an increase of 52% as compared with that of 2014. This comprises profit of HK$31 million (six months ended 30th June, 2014: HK$25 million) from construction operation and profit of HK$7.6 million (six months ended 30th June, 2014: HK$0.6 million) from investment in listed securities.

Major projects awarded in past two years have reached mature stage and continued to contribute to the growth of turnover as well as the profit. However, the gross profit to turnover ratio decreased from 8.4% to 5.7%. Few railway projects for MTRC revised down the forecast final profit as a result of recovery of delay cost being uncertain at this stage and not being taken into account on a prudent base. Furthermore, a portion of profit of a major project which contributed significant turnover during this period could not be booked as its completion was less than 25%. Overall, the net profit to turnover was maintained at 1.7%, broadly in line with last year.

During the period, the local construction market continued to be hit by the lack of new public sector projects being awarded. The situation has slightly improved in the late second quarter, when the funding to most of the stack of public works projects has, after long wait, been finally approved. The delay in the implementation of new public works projects has inevitably resulted in extremely keen competition; though it has, to a lesser extent, eased the tight labour supply situation. Notwithstanding the competition, the new business strategy of Build King proved to be effective and successful. Since January 2015, Build King has won 7 contracts of total values over HK$5 billion. As of the date of this announcement, the total outstanding value of contract on hand reached HK$11 billion.

Looking forward, the core competitiveness of Build King will continue to benefit from the Government's land supply and housing policies, which in turn will require more and better infrastructures. On current projects, overall progress was satisfactory.

At Wuxi City, the sewage treatment plant recorded a mild increase of 3% in turnover during the period while the profit increased by 50% because the plant received RMB2 million cash award for its contribution to protection of water quality of Lake Tai.

Construction Materials

For the six months ended 30th June, 2015, the construction materials division recorded revenue of HK$305 million (six months ended 30th June, 2014: HK$281 million) and a net profit of HK$24 million (six months ended 30th June, 2014: HK$18 million).

The considerable improvement in the results as compared with that of last year was due to the previous secured orders. 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.

The Group has secured Lam Tei Quarry in March 2015 for 7 years commencing from the handover of the site by the Government, where the establishment of additional concrete batching facilities thereon will commence in the fourth quarter of 2015. Such additional concrete batching facilities will result in better geographic coverage and access to more market in the long run.

Quarrying

For the six months ended 30th June, 2015, the quarrying division recorded revenue of HK$91 million (six months ended 30th June, 2014: HK$77 million) and a net profit of HK$2 million (six months ended 30th June, 2014: net loss of HK$1 million).

In the first half of 2015, the quarrying division recorded slim profit. The profit margin was slightly improved as a result of the perpetual costs control measure exercised for production of aggregates at Niu Tou Island.

The Group will operate a quarry in Hong Kong upon the handover of Lam Tei Quarry by the Government which is expected to be in the second half of this year.

Property Funds

The Group holds 34.6% interest in Grand China Cayman Investors III, Limited ("Grand China Fund") which 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 the first six months of 2015, the occupancy rates of these nine properties maintained around 95% on average. During the period, the Group shared profit and received dividends of HK$3.2 million and US$0.3 million (equivalent to HK$2.2 million) from Grand China Fund respectively.

The Group holds 30% interest in Elite International Investment Fund I LP ("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.

The Group holds 10% in Grand China Overseas Investment Fund, Ltd. and Grand China Overseas Investment Management Co., Ltd. (collectively "GCOI Fund"). GCOI Fund is a fund of funds which in turn invested in a number of sub-funds. Each sub-fund will focus on a unique property project in USA. In the first six months of 2015, GCOI Fund has successfully invested in three property development projects and one property re-development project in USA.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the period, total borrowings increased from HK$295 million to HK$397 million with the maturity profile summarised as follows:

	30th June, 2015 *HK$'million*	31st December, 2014 *HK$'million*
Within one year	**240**	227
In the second year	**72**	63
In the third to fifth year inclusive	**85**	5
	397	295
Classified under:		
Current liabilities *(note a)*	**298**	283
Non-current liabilities *(note b)*	**99**	12
	397	295

Notes:

(a) At 30th June, 2015, 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$58 million (31st December, 2014: HK$56 million) have been classified as current liabilities.

(b) At 30th June, 2015, the amount included bonds with an aggregate carrying amount of HK$76 million (31st December, 2014: nil) carrying fixed coupon interest of 7% per annum.

During the period, the Group had no financial instruments for hedging purpose. At 30th June, 2015, total borrowings of HK$100 million (31st December, 2014: HK$12 million) carried interest at fixed rate.

At 30th June, 2015, total amount of the Group's bank balances and cash was HK$722 million (31st December, 2014: HK$453 million), of which bank deposits amounting to HK$0.07 million (31st December, 2014: HK$0.06 million) were pledged to banks to secure certain general banking facilities granted to the Group. In addition, the Group has available unutilised bank and other borrowings facilities of HK$286 million (31st December, 2014: HK$177 million) and HK$27 million (31st December, 2014: HK$24 million) respectively.

For the six months ended 30th June, 2015, the Group recorded finance costs of HK$6 million (six months ended 30th June, 2014: HK$4 million).

At 30th June, 2015, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$33 million (31st December, 2014: HK$26 million), comprising equity securities listed in Hong Kong. Certain listed equity securities held by Build King with a market value of HK$22 million (31st December, 2014: HK$20 million) were pledged to a bank to secure certain general banking facilities granted to Build King. For the six months ended 30th June, 2015, the Group recorded a net profit (net amount of change in fair value, dividend and interest income) of HK$8.4 million (six months ended 30th June, 2014: HK$0.9 million) from these investments, of which net profit of HK$7.6 million (six months ended 30th June, 2014: HK$0.6 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. As a result, the Group is exposed to the currency risks for fluctuation in exchange rates of Renminbi and United States dollar. However, there is no significant exposure to foreign exchange rate fluctuations during the period. The Group will continue to monitor its exposure to the currency risks closely.

Capital Structure and Gearing Ratio

At 30th June, 2015, the equity attributable to owners of the Company amounted to HK$5,632 million, representing HK$7.10 per share (31st December, 2014: HK$5,620 million, representing HK$7.09 per share). Increase in equity attributable to owners of the Company was mainly attributable to the profit generated after deduction of 2014 final dividend paid during the period.

At 30th June, 2015, the gearing ratio, representing the ratio of interest bearing borrowings to equity attributable to owners of the Company, was 7.1% (31st December, 2014: 5.3%) 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 -5.8% (31st December, 2014: -2.8%) as a result of total amount of bank balances and cash exceeding total amount of interest bearing borrowings.

Pledge of Assets

At 30th June, 2015, apart from the bank deposits and certain listed equity securities pledged to secure certain general banking facilities granted to the Group, certain motor vehicles with an aggregate carrying value of HK$5 million (31st December, 2014: HK$6 million) and the share of a subsidiary of the Company were pledged to secure certain bank loans granted to the Group.

Capital Commitments

At 30th June, 2015, the Group has committed capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the Group's condensed consolidated financial statements amounting to HK$77 million (31st December, 2014: HK$6 million) and has no committed capital expenditure authorised but not contracted for (31st December, 2014: nil).

Contingent Liabilities

At 30th June, 2015, the Group had outstanding tender/performance/retention bonds in respect of construction contracts amounting to HK$287 million (31st December, 2014: HK$234 million).

EMPLOYEES AND REMUNERATION POLICIES

At 30th June, 2015, the Group had 1,695 employees (31st December, 2014: 1,600 employees), of which 1,585 (31st December, 2014: 1,484) were located in Hong Kong, 108 (31st December, 2014: 112) were located in the PRC and 2 (31st December, 2014: 4) were located in UAE. For the six months ended 30th June, 2015, the Group's total staff costs were HK$364 million (six months ended 30th June, 2014: HK$326 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 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, increase 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 Group has been awarded the tender for The Rehabilitation of Lam Tei Quarry - Extended Works in March 2015 with the expected handover of the site by the Government within this year. Other than site formation/quarrying, the contract allows the operator to set up concrete batching facilities and asphalt producing facilities at the site. It is anticipated that the setup of quarrying, including processing plants, will take place within six to nine months. The securing of the Lam Tei Quarry will complement the operations of the quarrying division and construction materials division, which in turn benefits the Group as a whole in the long run.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of Corporate Governance Code 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") throughout the six months ended 30th June, 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' Securities Transactions. All directors of the Company have confirmed, following specific enquiry, that they have complied with the Model Code throughout the six months ended 30th June, 2015.

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 six months ended 30th June, 2015.

AUDIT COMMITTEE

The Audit Committee has reviewed with management, internal auditor and external auditor the accounting policies adopted by the Group and the unaudited interim financial information for the six months ended 30th June, 2015.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Company's website (www.waikee.com) and the Stock Exchange's website (www.hkexnews.hk). The Interim Report 2015 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 of the Company 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, 20th August, 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.