YAT SING HOLDINGS LIMITED
日成控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3708)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS
(All in Hong Kong dollar)

	Year ended 30 June	
	2015	2014
Revenue	**$503 million**	$600 million
Gross profit	**$52 million**	$56 million
Net profit	**$11 million**	$46 million
Equity attributable to owners of the Company	**$159 million**	$155 million
Basic earnings per share	**1.0 cent**	4.7 cents

RESULTS

The board (the "Board") of directors (the "Directors") of Yat Sing Holdings Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2015 as follows. These information should be read in conjunction with the prospectus of the Company dated 31 December 2014 (the "Prospectus").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Revenue	*4*	**503,195**	600,392
Cost of services		**(450,790)**	(544,629)
Gross profit		**52,405**	55,763
Other income		**332**	14,194
Administrative expenses		**(35,836)**	(15,898)
Finance costs	*5*	**(414)**	(820)
Profit before taxation		**16,487**	53,239
Income tax expense	*6*	**(5,525)**	(7,060)
Profit and total comprehensive income for the year	*7*	**10,962**	46,179
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**10,839**	45,976
Non-controlling interests		**123**	203
		10,962	46,179
Earnings per share (HK cents)			
Basic and diluted	*9*	**1.0**	4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**3,331**	3,184
Available-for-sale investments		**1,974**	1,974
Deposits paid for property, plant and equipment		**222**	–
		5,527	5,158
Current assets			
Amounts due from customers for contract work		**–**	–
Trade and other receivables	*10*	**199,848**	259,575
Pledged bank deposits		**5,000**	5,006
Bank balances and cash		**98,901**	66,808
		303,749	331,389
Current liabilities			
Trade and other payables	*11*	**129,610**	156,881
Amount due to a director		**–**	140
Bank borrowings		**10,116**	12,646
Obligations under finance leases – due within one year		**817**	831
Tax payable		**8,812**	9,164
		149,355	179,662
Net current assets		**154,394**	151,727
Total assets less current liabilities		**159,921**	156,885
Non-current liabilities			
Obligations under finance leases – due after one year		**313**	495
Long service payment obligations		**218**	218
Deferred tax liabilities		**325**	258
		856	971
Net assets		**159,065**	155,914

	2015	2014
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**11,189**	9,310
Reserves	**147,459**	145,923
Equity attributable to:		
Owners of the Company	**158,648**	155,233
Non-controlling interests	**417**	681
Total equity	**159,065**	155,914

1. GENERAL

The Company was incorporated in the Cayman Islands on 17 September 2014 as an exempted company with limited liability and its shares (the "Shares") have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 14 January 2015 ("Listing").

The Company acts as an investment holding company and the principal activities of its subsidiaries are provision of building maintenance and renovation services.

2. GROUP RESTRUCTURING AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Prior to and after the reorganisation, the provision of building maintenance services and renovation services were carried out by Sing Fat Construction Company, Limited ("Sing Fat Construction"). To rationalise the corporate structure in preparation for the Listing, the Company was incorporated in the Cayman Islands on 17 September 2014 and the Group underwent the reorganisation, as detailed in the paragraph headed "Corporate reorganisation" in Appendix IV to the Prospectus (the "Reorganisation"). Upon completion of the Reorganisation, the Company became the holding company of the Group on 1 December 2014. The companies that took part in the Reorganisation were controlled by the same ultimate equity shareholders, including Mr. Liu Su Ke, Mr. Chan Lo Kin, Mr. Kan Man Hoo, Mr. Kan Yiu Keung, Mr. Kan Yiu Kwok, Mr. Lai Kwan Hin, Mr. Liu Winson Wing Sun and Mr. Yau Shik Fan, Eddy (collectively referred to as the "Controlling Shareholders") throughout the years ended 30 June 2014 and 2015 or since their respective date of incorporation up to 30 June 2015 where this is a shorter period.

As there was no change in the Controlling Shareholders before and after the Reorganisation, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the years ended 30 June 2015 and 2014 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the respective years or since their respective date of incorporation where this is a shorter period. The consolidated statement of financial position of the Group as at 30 June 2014 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at that date.

Accordingly, the consolidated financial statements of the Group have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as if the group structure under the Reorganisation had been in existence throughout the two years ended 30 June 2015 or since their respective dates of incorporation whichever is the shorter period.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS(s)") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Application of new and revised HKFRSs and new Hong Kong Companies Ordinance

The Group has applied all the HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and interpretations ("Int(s)"), issued by the HKICPA which are effective for the Group's financial year beginning on 1 July 2014.

In addition, certain information in the consolidated financial statements are presented and disclosed in accordance with the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) which come into operation during the financial year.

New and revised HKFRSs issued but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018

The Directors anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect of a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designed as at fair value through profit or loss ("FVTPL"), HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements. However it is not practicable to provide a reasonable estimate of the effect of HKAS 1 until the Group performs a detailed review.

4. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chairman of the Board, being the chief operating decision maker (the "CODM") for the purposes of resources allocation and performance assessment of segment performance focuses on services provided are as follows:

i) Building maintenance; and

ii) Renovation.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 30 June 2015

	Building maintenance *HK$'000*	**Renovation** *HK$'000*	**Total** *HK$'000*
Segment revenue	**316,665**	**186,530**	**503,195**
Segment profit	**41,024**	**11,100**	**52,124**
Unallocated corporate income			**332**
Central administration costs			**(35,555)**
Finance costs			**(414)**
Profit before taxation			**16,487**

For the year ended 30 June 2014

	Building maintenance *HK$'000*	Renovation *HK$'000*	Total *HK$'000*
Segment revenue	401,910	198,482	600,392
Segment profit	46,031	9,669	55,700
Unallocated corporate income			14,257
Central administration costs			(15,898)
Finance costs			(820)
Profit before taxation			53,239

Segment profit represents the profit earned by each segment without allocation of certain unallocated corporate income, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales between different business segments for the years ended 30 June 2015 and 2014.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2015	2014
	HK$'000	*HK$'000*
Segment assets		
Building maintenance	**98,080**	169,824
Renovation	**103,481**	89,428
Total segment assets	**201,561**	259,252
Unallocated corporate assets	**107,715**	77,295
Total assets	**309,276**	336,547
Segment liabilities		
Building maintenance	**46,846**	71,525
Renovation	**78,530**	83,226
Total segment liabilities	**125,376**	154,751
Unallocated corporate liabilities	**24,835**	25,882
Total liabilities	**150,211**	180,633

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, available-for-sale investments, certain other receivables, pledged bank deposits and bank balances and cash as these assets are managed on a group basis.

- all liabilities are allocated to operating segments other than certain other payables, amount due to a director, bank borrowings, obligations under finance leases, tax payable, long service payment obligations and deferred tax liabilities as these liabilities are managed on a group basis.

5. FINANCE COSTS

	2015 *HK$'000*	2014 *HK$'000*
Interest on:		
– Bank borrowings and overdrafts	**376**	745
– Obligations under finance leases	**38**	75
	414	820

6. INCOME TAX EXPENSE

	2015 *HK$'000*	2014 *HK$'000*
Current tax – Hong Kong		
Provision for the year	**5,458**	7,318
Deferred taxation	**67**	(258)
	5,525	7,060

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**(230)**	(46)
Depreciation of property, plant and equipment	**718**	947
Written off on other receivables	**300**	–
Loss (gain) on disposal of property, plant and equipment	**53**	(14,026)
Minimum lease payments under operating leases	**1,303**	310
Listing expense (included in administrative expenses)	**12,121**	2,573

8. DIVIDENDS

During the year ended 30 June 2015, an interim dividend of approximately HK$86,613,000 (2014: HK$82,350,000 was declared by Sing Fat Construction to its shareholders) was declared by the Company to its then sole shareholder, of which approximately HK$79,648,000 and HK$6,965,000 was settled in December 2014 and January 2015 respectively.

The Board does not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: nil).

9. EARNINGS PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**10,839**	45,976

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,043,319**	978,950

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares during the years ended 30 June 2015 and 2014.

The weighted average number of ordinary share in issue during the year ended 30 June 2015 represents 978,950,000 ordinary shares issued as part of common control combination as if such shares were issued on 1 July 2013, and the weighted average of 139,850,000 ordinary shares issued under share offer during the year.

The weighted average number of shares in issue during the year ended 30 June 2014 represented the 978,950,000 ordinary shares issued as part of the Reorganisation, as if such shares had been outstanding during the entire year of 2014.

10. TRADE AND OTHER RECEIVABLES

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade receivables, presented based on the certified report which approximates revenue recognition date at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**71,113**	110,336
91 to 180 days	**32,997**	34,610
181 to 365 days	**26,462**	37,986
1 to 2 years	**47,052**	44,656
Over 2 years	**3,144**	718
	180,768	228,306

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**33,232**	81,819
91 to 180 days	**28,639**	13,002
181 to 365 days	**21,711**	21,270
1 to 2 years	**25,361**	23,683
Over 2 years	**3,875**	467
	112,818	140,241

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS MODEL AND STRATEGY

Our Group has more than 50 years of experience and knowledge in the building maintenance and renovation industry and has now become one of the major service providers of the industry in Hong Kong. In 1996, our Group was admitted to the Hong Kong Housing Authority's (the "Housing Authority") contractor list under the "Building (Maintenance) Group M2 (confirmed status)" category which enables our Group to tender for the Housing Authority contracts for building maintenance and renovation works of unlimited value.

Our corporate objective is to create and enhance value for our shareholders. To attain such objective, our Group strives to maintain stable growth and profitability by obtaining sustainable projects in both public and private sectors. To monitor projects as a main contractor, we have to carry out overall project management and supervision of works conducted by our subcontractors. As a result, the works performed by subcontractors can be ensured to conform to contractual specifications and be completed on time and within budget.

BUSINESS REVIEW

Our Group is a building maintenance and renovation service provider in Hong Kong. All revenue for the year ended 30 June 2015 (the "Period") was derived from building maintenance and renovation services.

Our Shares were listed on the Main Board of the Stock Exchange on 14 January 2015 (the "Listing Date") when 139,850,000 new Shares had been offered for subscription and 139,850,000 Shares for sale, at an offer price of HK$0.60 per Share.

Building maintenance services

As at 30 June 2015, we had 6 building maintenance contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contract value of approximately HK$1,400.1 million. As at 30 June 2014, we had 7 building maintenance contracts on hand with a notional or estimated contract value of approximately HK$1,374.7 million. During the Period, we have completed 5 building maintenance contracts.

Renovation services

As at 30 June 2015, we had 4 renovation contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contract value of approximately HK$296.7 million. As at 30 June 2014, we had 6 renovation contracts on hand with a notional or estimated contact value of approximately HK$296.9 million. During the Period, we have completed 7 renovation contracts.

RECENT DEVELOPMENT

Building maintenance services

During the Period, we had been successfully awarded 5 contracts with a notional or estimated contract value of approximately HK$659.3 million. Of the newly awarded contracts, 4 commenced during the Period with a notional or estimated contract value of approximately HK$386.4 million.

With the completion of several District Term Contracts ("DTCs"), our Group had been awarded a new DTC with a notional or estimated contract value of approximately HK$272.9 million for a contract period of 36 months by Housing Authority in May 2015. The project had commenced in July 2015.

Renovation services

During the Period, we had been successfully awarded 6 contracts with a notional or estimated contract value of approximately HK$322.7 million. Of the newly awarded contracts, 4 commenced during the Period with a notional or estimated contract value of approximately HK$320.9 million.

In view of the Government's measures on revitalisation of industrial buildings, our Group has been awarded a renovation contract with contract value of approximately HK$288.0 million for the conversion of usage of an industrial building. The project has commenced during the Period.

PROSPECTS

Looking forward, with continuous spending on infrastructure and residential building works by both public and private sectors, we are expecting stable growth in the building and maintenance and renovation contracting service industry in Hong Kong, where our business will keep focusing on. Riding on our operating resources and experience, we believe that we can continue to maintain our competitive edge in the industry to capture the market share for building maintenance and renovation contracting services in Hong Kong.

FINANCIAL REVIEW

Revenue

For the Period, the revenue of the Group was approximately HK$503.2 million representing a decrease of approximately HK$97.2 million or 16.2% compared with approximately HK$600.4 million for the same period in 2014. All revenue was derived from building maintenance and renovation services.

Revenue derived from building maintenance services decreased by approximately HK$85.2 million or 21.2% from approximately HK$401.9 million for the same period in 2014 to approximately HK$316.7 million during the Period. The decrease in revenue was mainly caused by works orders for some DTCs no longer issued to our Group upon contract expiration and delay in the progress of several projects during the Period.

Revenue derived from renovation services also showed a decrease of approximately HK$12.0 million or 6.0% from approximately HK$198.5 million in the same period in 2014 to approximately HK$186.5 million during the Period. The decrease in revenue was mainly caused by the unsuccessful tender for a renovation term contract with an education institution and delay in progress for the project in respect of the conversion of usage of an industrial building.

Gross profit

During the Period, the Group's gross profit amounted to approximately HK$52.4 million (2014: HK$55.8 million) representing a decrease of approximately HK$3.4 million or 6.1%. Gross profit margin for the Period was approximately 10.4% (2014: 9.3%), the increase was consistent with the improvement in gross profit margin for both building maintenance and renovation segments as explained below.

Gross profit attributable to building maintenance services for the Period amounted to approximately HK$41.0 million (2014: HK$46.0 million), representing a decrease of approximately HK$5.0 million or 10.9%, the decrease was due to the expiration of 5 building maintenance contracts during the Period and gross profit contributed by these 5 contracts decreased by approximately HK$12.9 million over the Period. The Group's gross profit margin for building maintenance services for the Period was approximately 12.9% (2014: 11.4%). The improvement in gross profit margin in this segment over the same period in 2014 was attributable to the improved quotation and higher margins charged by the Group on new contracts accepted by our clients.

Gross profit attributable to renovation services for the Period amounted to approximately HK$11.1 million (2014: HK$9.7 million), representing an increase of approximately HK$1.4 million or 14.4%. Gross profit margin from renovation services during the Period was approximately 6.0%, which was higher than the same period in 2014 by approximately 4.9%. The improvement in gross profit margin in this segment was mainly caused by higher margin charged by the Group on new contracts (e.g. the project in respect of conversion of the usage of industrial building).

Other income

For the Period, other income derived from interests amounted to approximately HK$0.2 million and other miscellaneous income of the Group. For the same period in 2014, other income included disposal gain of property, plant and equipment amounted to approximately HK$14.0 million.

Administrative expenses

Administrative expenses increased by approximately HK$19.9 million or 125.2% from approximately HK$15.9 million for the same period in 2014 to approximately HK$35.8 million for the Period, mainly due to the one-off professional fees related to the Listing of approximately HK$12.1 million, as well as an increase in salaries and wages.

Finance costs

Finance costs decreased by approximately HK$0.4 million or 50.0% from approximately HK$0.8 million for the same period in 2014 to approximately HK$0.4 million for the Period. The decrease was mainly due to the decrease in the Group's obligations under financial leases and bank borrowings with the use of proceeds from Listing to repay part of bank borrowings.

Income tax

The effective tax rates were approximately 33.5% and 13.3% for the Period and the same period in 2014, respectively. The effective tax rate for the Period was significantly higher than the statutory profits tax rate of 16.5% due to the professional fees related to the Listing of approximately HK$12.1 million incurred for the Period, which were non-tax deductible expenses.

Profit for the year

The Group's profit for the Period decreased by approximately HK$35.2 million or 76.2% from approximately HK$46.2 million for the same period in 2014 to approximately HK$11.0 million for the Period. Such decrease was mainly attributed to the recognition of the expenses of approximately HK$12.1 million in relation to the Listing during the Period.

Liquidity, financial resources and capital structure

The Group generally finances its operation through cash from operations and bank borrowings. As at 30 June 2015, the Group had total cash and bank balances of approximately HK$98.9 million (2014: HK$66.8 million). Bank borrowings as at 30 June 2015 amounted to approximately HK$10.1 million (2014: HK$12.6 million). All the cash and bank balances and bank borrowings are denominated in Hong Kong dollar.

As at 30 June 2015, the share capital and equity attributable to owners of the Company amounted to approximately HK$11.2 million and HK$158.6 million respectively (2014: HK$9.3 million and HK$155.2 million respectively).

The Group did not carry out any hedging for its floating rate borrowings.

Capital commitments

As at 30 June 2015 and 2014, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable lease of approximately HK$0.9 million and HK$2.2 million, respectively.

As at 30 June 2015, the Group had outstanding commitments in respect of acquisition of motor vehicles of approximately HK$1.4 million (2014: nil).

Foreign exchange risk

The Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollar. With the insignificant portion of monetary assets denominated in foreign currencies, the Group did not engage in the any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Period.

Gearing ratio

Gearing ratio is calculated based on the total debts divided by the total equity. The gearing ratio was approximately 12.7% and 15.1% as at 30 June 2015 and 2014, respectively. The decrease in gearing ratio is due to decrease in bank borrowings and increase in total equity during the Period.

Charge over assets of the Group

As at 30 June 2015, the Group had approximately HK$5.0 million (2014: HK$5.0 million) pledged bank deposits to secure the banking facilities granted to the Group.

As at 30 June 2015, the Group had approximately HK$1.4 million (2014: HK$1.6 million) motor vehicles held under finance leases.

Significant investments, acquisitions and disposals

Apart from the Reorganisation in relation to the Listing, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the Period. Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 30 June 2015.

Save as disclosed above, the Group had no material contingent liabilities as at 30 June 2015 (2014: nil).

Employees and remuneration policies

As at 30 June 2015, the Group had approximately 127 employees (2014: 116). The staff related costs included salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave. The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages were subject to review on a regular basis. The emoluments of the Directors and senior management have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Period (2014: nil).

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

Our Shares were listed on the Stock Exchange on 14 January 2015. The total net proceeds from the initial public offering amounted to approximately HK$64.5 million. The use of proceeds has been consistent with the disclosures in the Prospectus. The Group has, during the Period, utilized approximately HK$2.5 million to repay bank loan, approximately HK$0.4 million to upgrade our information technology applications, approximately HK$17.5 million for different projects and HK$5.1 million for general working capital. As at 30 June 2015, net proceeds not yet utilized were deposited with authorised financial institutions and/or licensed banks in Hong Kong.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Placing of Shares by a controlling shareholder of the Company

On 23 July 2015, Profound entered into a share placing agreement with Placing Agent pursuant to which the Placing Agent had agreed to, on a best endeavor basis, find purchasers to purchase 60,000,000 Shares (the "Sale Shares") from Profound at the price of HK$1.37 each (the "Placing"). The Sale Shares represented approximately 5.36% of the issued share capital of the Company as at 23 July 2015.

Upon completion of the Placing on 24 July 2015, Profound was interested in approximately 69.64% of the issued share capital of the Company, and Mr. Liu Su Ke, Mr. Lai Kwan Hin, Mr. Kan Yiu Kwok, Mr. Kan Yiu Keung, Mr. Kan Man Hoo, Mr. Yau Shik Fan, Eddy, Mr. Liu Winson Wing Sun, Mr. Chan Lo Kin and Profound remained as controlling shareholders (as defined in the Listing Rules) of the Company.

For details of the transaction, please refer to the announcements of the Company dated 23 July 2015 and 24 July 2015.

Sale of Shares by a controlling shareholder of the Company

On 30 July 2015, Profound sold 180,000,000 Shares at the consideration of HK$1 per Share (the "Sale") to purchasers each of whom is a third party independent of the Company and its connected persons (as defined in the Listing Rules). The said 180,000,000 Shares represented approximately 16.09% of the issued share capital of the Company as at 30 July 2015.

Immediately following the Sale, Profound was interested in approximately 53.55% of the issued share capital of the Company, and Mr. Liu Su Ke, Mr. Lai Kwan Hin, Mr. Kan Yiu Kwok, Mr. Kan Yiu Keung, Mr. Kan Man Hoo, Mr. Yau Shik Fan, Eddy, Mr. Liu Winson Wing Sun, Mr. Chan Lo Kin and Profound remained as controlling shareholders (as defined in the Listing Rules) of the Company. None of the purchasers of the Sale become a substantial shareholder of the Company as a result of the Sale.

For details of the transaction, please refer to the announcement of the Company dated 30 July 2015.

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

During the period from the Listing Date to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with code provisions (the "Code Provisions") as set out under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. During the period from the Listing Date up to 30 June 2015 (the "Review Period"), the Company has complied with all the Code Provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Director's securities transactions. Having made specific enquiry to all the Directors regarding any non-compliance with the Model Code during the Review Period, and the Directors have confirmed that they had fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

Our Audit Committee was established on 18 December 2014 in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. Our Audit Committee consists of Ms. Tong Sze Wan, Mr. Kwong Ping Man and Mr. Lam Yiu Por. Currently, Ms. Tong Sze Wan is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the Period.

ANNUAL GENERAL MEETING

The notice of the annual general meeting will be published in the Company's website and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.yat-sing.com.hk). The annual report for the Period containing all the information required by the Listing Rules will be published on the website of the Company and the Stock Exchange and despatched to shareholders in due course.

By order of the Board
YAT SING HOLDINGS LIMITED
LIU Winson Wing Sun
Chairman

Hong Kong, 29 September 2015

As at the date of this announcement, the Board consists of Mr. LIU Winson Wing Sun as chairman and executive Director, Mr. KAN Yiu Keung as chief executive officer and executive Director and Mr. CHAN Lo Kin as executive Director, Mr. LIU Su Ke and Mr. KAN Yiu Kwok as non-executive Directors and Ms. TONG Sze Wan, Mr. LAM Yiu Por and Mr. KWONG Ping Man as independent non-executive Directors.