WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2015

Financial Performance Highlights

Revenue	**HK$5,019 million**
Profit attributable to owners of the Company	**HK$421 million**
Basic earnings per share	**HK53.06 cents**
Final dividend per share	**HK9.5 cents**
Equity attributable to owners of the Company per share	**HK$7.19**

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, 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
Revenue	*2*	**5,019,483**	3,832,509
Cost of sales		**(4,578,043)**	(3,455,944)
Gross profit		**441,440**	376,565
Other income	*4*	**42,134**	44,928
Investment income, gains and losses	*5*	**3,448**	(1,460)
Selling and distribution costs		**(72,202)**	(74,878)
Administrative expenses		**(280,464)**	(259,567)
Finance costs	*6*	**(22,452)**	(9,078)
Share of results of associates		**334,839**	406,697
Other gains and losses	*7*	**22,384**	85,579
Profit before tax	*8*	**469,127**	568,786
Income tax expense	*9*	**(3,010)**	(1,907)
Profit for the year		**466,117**	566,879
Profit for the year attributable to:			
Owners of the Company		**420,865**	542,649
Non-controlling interests		**45,252**	24,230
		466,117	566,879
		HK cents	*HK cents*
Earnings per share	*11*		
– Basic		**53.06**	68.42
– Diluted		**53.06**	68.40

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**466,117**	566,879
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(6,318)**	(2,557)
Share of translation reserves of associates	**(205,799)**	(21,027)
Other comprehensive expense for the year	**(212,117)**	(23,584)
Total comprehensive income for the year	**254,000**	543,295
Total comprehensive income for the year attributable to:		
Owners of the Company	**211,945**	520,360
Non-controlling interests	**42,055**	22,935
	254,000	543,295

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**319,644**	155,466
Intangible assets		**615,349**	68,632
Goodwill		**29,838**	29,838
Interests in associates		**5,417,155**	5,399,526
Interest in a joint venture		**-**	-
Available-for-sale investments		**42,676**	42,676
Other financial asset		**44,624**	49,421
Loan and other receivables		**23,522**	4,470
Deposits paid for acquisition of property, plant and equipment		**410**	-
		6,493,218	5,750,029
Current assets			
Inventories		**45,801**	24,338
Amounts due from customers for contract work		**485,303**	461,531
Debtors, deposits and prepayments	*12*	**1,092,848**	967,373
Amounts due from associates		**10,210**	10,815
Amount due from a joint venture		**321**	321
Amounts due from other partners of joint operations		**24,366**	139,840
Tax recoverable		**2,682**	148
Held-for-trading investments		**27,430**	26,246
Pledged bank deposits		**80**	60
Bank balances and cash		**881,851**	453,200
		2,570,892	2,083,872
Current liabilities			
Amounts due to customers for contract work		**664,790**	648,641
Creditors and accrued charges	*13*	**1,445,797**	923,469
Amount due to an associate		**14,458**	13,264
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**12,119**	138,304
Amounts due to non-controlling shareholders		**3,359**	3,359
Tax liabilities		**3,746**	2,694
Bank loans		**325,408**	283,258
		2,470,819	2,014,131
Net current assets		**100,073**	69,741
Total assets less current liabilities		**6,593,291**	5,819,770

	2015	2014
	HK$'000	*HK$'000*
Non-current liabilities		
Payable for extraction right	**471,180**	-
Provision for rehabilitation costs	**26,889**	-
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**16,195**	16,546
Amount due to an associate	**4,807**	5,406
Bank loans	**18,000**	12,000
Bonds	**150,724**	-
	693,545	39,702
Net assets	**5,899,746**	5,780,068
Capital and reserves		
Share capital	**79,312**	79,312
Share premium and reserves	**5,619,522**	5,540,951
Equity attributable to owners of the Company	**5,698,834**	5,620,263
Non-controlling interests	**200,912**	159,805
Total equity	**5,899,746**	5,780,068

Notes:

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

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("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 amendments to HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the 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[3]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
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, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]

1 Effective for accounting periods beginning on or after 1st January, 2016.
2 Effective for first annual financial statements beginning on or after 1st January, 2016.
3 Effective for accounting periods beginning on or after 1st January, 2018.
4 Effective for accounting periods beginning on or after a date to be determined.

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 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.

Amendments to HKFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 "Business Combinations". Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 12 "Income Taxes" regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 "Impairment of Assets" regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in HKFRS 3) occurring from the beginning of annual periods beginning on or after 1st January, 2016. The directors of the Company anticipate that the application of these amendments to HKFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

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

	2015 ***HK$’000***	2014 *HK$’000*
Revenue analysed by revenue from:		
Construction	**4,539,851**	3,225,263
Construction materials	**450,861**	566,723
Quarrying	**28,771**	40,523
	5,019,483	3,832,509

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, 2015

	Segment revenue			
	Gross	**Inter-segment elimination**	**External**	**Segment profit (loss)**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Construction	**4,571,629**	**(31,778)**	**4,539,851**	**48,257**
Construction materials	**582,114**	**(131,253)**	**450,861**	**33,271**
Quarrying	**172,239**	**(143,468)**	**28,771**	**(1,398)**
Toll road and property development	**-**	**-**	**-**	**328,022**
Total	**5,325,982**	**(306,499)**	**5,019,483**	**408,152**

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

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

	2015	2014
	HK$'000	*HK$'000*
Total segment profit	**408,152**	462,651
Unallocated items		
Other income	**9,778**	8,813
Investment income, gains and losses	**394**	351
Administrative expenses	**(17,115)**	(15,969)
Finance costs	**(8,839)**	(5,320)
Share of results of associates	**6,466**	6,824
Discount on acquisition of additional interest in an associate	**63,210**	51,992
Gain on deemed acquisition of additional interest in an associate	**-**	34,222
Loss on deemed disposal of partial interest in an associate	**(41,291)**	(915)
Gain on disposal of property, plant and equipment	**110**	-
Profit attributable to owners of the Company	**420,865**	542,649

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, 2015

	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	**(22,275)**	**(24,733)**	**(2,589)**	**-**	**(49,597)**	**(474)**	**-**	**(50,071)**
Allowance for doubtful debts	**-**	**(2,470)**	**-**	**-**	**(2,470)**	**-**	**-**	**(2,470)**
Gain on disposal of property, plant and equipment, net	**321**	**34**	**-**	**-**	**355**	**110**	**-**	**465**
Interest income	**1,649**	**-**	**409**	**-**	**2,058**	**4,985**	**(4,925)**	**2,118**
Finance costs	**(8,635)**	**(7,417)**	**(2,486)**	**-**	**(18,538)**	**(8,839)**	**4,925**	**(22,452)**
Share of results of associates	**360**	**-**	**(9)**	**328,022**	**328,373**	**6,466**	**-**	**334,839**
Income tax expense	**(2,884)**	**-**	**(126)**	**-**	**(3,010)**	**-**	**-**	**(3,010)**

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)

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 (note) by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets** *(note)*	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**4,997,212**	3,810,095	**6,209,049**	5,473,357
The PRC	**22,271**	22,414	**33,491**	39,458
Middle East	**-**	-	**1,019**	1,019
Others	**-**	-	**138,837**	139,628
	5,019,483	3,832,509	**6,382,396**	5,653,462

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 (2014: two) customers of the construction segment located in Hong Kong individually contributing over 10% of the Group's revenue.

	2015	2014
	HK$'000	*HK$'000*
Customer A	**2,620,645**	1,681,236
Customer B	**1,316,847**	969,298
	3,937,492	2,650,534

4. Other Income

	2015	2014
	HK$'000	*HK$'000*
Other income includes:		
Interest on bank deposits	**449**	141
Interest on amount due from an associate	**139**	180
Interest on other financial asset	**1,223**	1,347
Imputed interest on loan and other receivables	**307**	473
Insurance claim on loss of plant and machinery	**-**	301
Gain on acquisitions of subsidiaries	**233**	-
Government subsidy	**3,045**	-
Operation fee income	**18,892**	20,942
Rental income from land and buildings	**3,364**	3,469
Rental income from plant and machinery	**625**	3,000
Service income from an associate	**70**	60

5. Investment Income, Gains and Losses

	2015	2014
	HK$'000	*HK$'000*
Gain (loss) on change in fair value of held-for-trading investments, net	**1,184**	(4,216)
Dividend income from held-for-trading investments	**2,264**	1,949
Interest income from held-for-trading investments	**-**	807
	3,448	(1,460)

6. Finance Costs

	2015	2014
	HK$'000	*HK$'000*
Interest on bank loans	**8,793**	8,608
Interest on bonds	**5,695**	-
Imputed interest on non-current interest-free amount due to an associate	**506**	470
Imputed interest on payable for extraction right	**6,987**	-
Imputed interest on provision for rehabilitation costs	**471**	-
	22,452	9,078

7. Other Gains and Losses

	2015	2014
	HK$'000	*HK$'000*
Discount on acquisition of additional interest in an associate	**63,210**	51,992
Gain on deemed acquisition of additional interest in an associate	**-**	34,222
Loss on deemed disposal of partial interest in an associate	**(41,291)**	(915)
Gain on disposal of property, plant and equipment, net	**465**	280
	22,384	85,579

8. Profit Before Tax

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

	2015	2014
	HK$'000	*HK$'000*
Auditor's remuneration		
Current year	**3,063**	2,631
Underprovision in prior year	**343**	387
	3,406	3,018
Allowance for doubtful debts	**2,470**	3,043
Amortisation of intangible assets	**13,841**	1,519
Less: Amount capitalised in inventories	**(12,410)**	-
	1,431	1,519
Depreciation of property, plant and equipment	**67,413**	68,024
Less: Amount attributable to construction contracts	**(17,342)**	(22,279)
	50,071	45,745
Exchange loss, net	**887**	305
Goodwill written off	**-**	2,177
Hire charges for plant and machinery	**153,361**	133,577
Less: Amount attributable to construction contracts	**(153,361)**	(133,577)
	-	-
Operating lease rentals in respect of land and buildings	**61,333**	57,526
Less: Amount attributable to construction contracts	**(11,679)**	(9,834)
	49,654	47,692
Share of income tax expense of associates (included in share of results of associates)	**461,127**	581,689
Staff costs	**789,335**	636,919
Less: Amount attributable to construction contracts	**(579,390)**	(442,108)
	209,945	194,811

9. Income Tax Expense

	2015	2014
	HK$'000	*HK$'000*
Current tax		
The PRC	**1,958**	1,690
Underprovision in prior years		
Hong Kong	**1,009**	204
The PRC	**43**	13
	1,052	217
	3,010	1,907

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:

	2015	2014
	HK$'000	*HK$'000*
2014 final dividend – HK13.5 cents per share (2014: 2013 final dividend – HK10.2 cents per share)	**107,072**	80,899
2015 interim dividend – HK3.3 cents per share (2014: 2014 interim dividend – HK3.0 cents per share)	**26,173**	23,793
	133,245	104,692

A final dividend for the year ended 31st December, 2015 of HK9.5 cents (2014: HK13.5 cents) per ordinary share amounting to HK$75,347,000 (2014: HK$107,072,000) 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:

	2015	2014
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**420,865**	542,649
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	**(55)**	(182)
Earnings for the purpose of diluted earnings per share	**420,810**	542,467

	2015	2014
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

	2015	2014
	HK$'000	*HK$'000*
Trade debtors	**623,864**	611,363
Less: Allowance for doubtful debts	**(6,136)**	(3,666)
	617,728	607,697
Bills receivables	**11,571**	10,501
Retention receivables	**290,415**	240,235
Other debtors	**99,852**	41,860
Deposits and prepayments	**68,812**	62,818
Loan and other receivables	**4,470**	4,262
	1,092,848	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 and bills receivables presented based on the maturity date:

	2015	2014
	HK$'000	*HK$'000*
Trade debtors		
0 to 60 days	**578,103**	592,187
61 to 90 days	**21,575**	7,773
Over 90 days	**18,050**	7,737
	617,728	607,697
Bills receivables		
0 to 60 days	**5,175**	5,347
61 to 90 days	**878**	62
Over 90 days	**5,518**	5,092
	11,571	10,501
Retention receivables		
Due within one year	**55,504**	66,745
Due after one year	**234,911**	173,490
	290,415	240,235

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, 2015, the Group's trade debtors and retention receivables included amounts of HK$18,845,000 (2014: HK$22,341,000) and HK$10,353,000 (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.

13. Creditors and Accrued Charges

	2015	2014
	HK$'000	*HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**187,536**	256,738
61 to 90 days	**18,565**	21,519
Over 90 days	**56,123**	38,267
	262,224	316,524
Retention payables	**244,688**	194,730
Accrued project costs	**760,105**	323,236
Payable for extraction right	**71,535**	-
Other creditors and accrued charges	**107,245**	88,979
	1,445,797	923,469
Retention payables		
Due within one year	**79,683**	52,412
Due after one year	**165,005**	142,318
	244,688	194,730

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 HK9.5 cents (2014: HK13.5 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Friday, 27th May, 2016. This dividend together with the interim dividend of HK3.3 cents (2014: HK3.0 cents) per ordinary share paid during the year represent total dividend distributions of HK12.8 cents (2014: HK16.5 cents) per ordinary share for the year ended 31st December, 2015.

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 Friday, 24th June, 2016.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 19th May, 2016, the register of members of the Company will be closed from Tuesday, 17th May, 2016 to Thursday, 19th May, 2016, 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 Monday, 16th May, 2016.

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, 27th May, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 26th May, 2016 to Friday, 27th May, 2016, 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, 25th May, 2016.

BUSINESS REVIEW

For the year ended 31st December, 2015, the Group's revenue was HK$5,019 million (2014: HK$3,833 million), generating an audited consolidated profit attributable to owners of the Company of HK$421 million (2014: HK$543 million), a decrease of 22% as compared with that of 2014.

Toll Road and Property Development

For the year ended 31st December, 2015, the Group shared a profit of HK$328 million (2014: HK$399 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 40.28% interest in Road King.

During the year ended 31st December, 2015, Road King issued 10,240,000 (2014: 155,000) 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 (2014: HK$1 million) on deemed disposal of partial interest in Road King. On the other hand, the Group purchased 6,031,000 (2014: 5,062,000) 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$63 million (2014: HK$52 million) on acquisition of additional interest in Road King. During the year ended 31st December, 2014, Road King repurchased and cancelled 5,637,000 ordinary shares, resulting in an aggregate gain of HK$34 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 year ended 31st December, 2015. As a result, the net effect of these transactions increased the Group's interest in Road King by 0.26% (2014: 0.99%).

For the year ended 31st December, 2015, Road King recorded an audited profit attributable to its owners of HK$820 million (2014: HK$1,005 million), a decrease of 18% as compared with that of 2014.

The total traffic volume reached 76 million vehicles and toll revenue was RMB2,187 million in 2015. Toll revenue from expressway projects further increased from 96% of the entire toll road portfolio in 2014 to 97% in 2015.

In 2015, Road King received cash distribution of HK$530 million from the toll road joint ventures, including the repayment of shareholders' loans. Road King's share of operating profits of toll road joint ventures was increased from HK$157 million in 2014 to HK$250 million in 2015. This was benefited from the increase in traffic flow and the toll income as well as a result of a course of favorable actions taken out by its expressways.

Adhering to the steady and consistent business strategy of deeper exploitation and balancing turnover and profitability, Road King achieved remarkable results in the property development business. Its property sales (including joint venture projects) increased to RMB11,649 million in 2015, including the contracted sales of RMB10,408 million and outstanding subscribed sales of RMB1,241 million.

In 2015, the revenue of Road King's property development business was mainly contributed by the delivery of properties in Yangtze River Delta region. The total area delivered in 2015 was 1,006,000 sqm, with an average price of approximately RMB10,300 per sqm. Operating profit after taxation of the property business was HK$990 million. Taking into account the exchange loss of HK$167 million due to RMB depreciation, the profit for the year was HK$823 million.

For land reserve replenishment, Road King acquired three pieces of land in Luoyang, Langfang and Guangzhou through listing-for-sale and subscription for trust units of an investment fund in 2015, with an aggregate floor area of 1,002,000 sqm. At 31 December 2015, Road King's land reserve was approximately 5,400,000 sqm.

For the toll road business, Road King believes that the toll road business would provide steady cash flows. By leveraging the experience obtained over the past two decades, Road King guarantees a sustainable and stable operation and development.

For the property development business, Road King is optimistic about the prospect of the property market. It will continue to adopt the strategy that maintains deeper exploitation, and balances profitability and sales volume, researching and developing market-oriented products, enhancing the value-added services of the property management services, and to continuously improve product and service quality and brand appeal. Together with its market position and a well-developed operation team, Road King has established a solid foundation for the continuous expansion in property business.

Construction

For the year ended 31st December, 2015, the Group shared a profit of HK$48 million (2014: HK$28 million) from Build King Holdings Limited ("Build King"), the construction arm of the Group. As of the date of this announcement, the Group holds 52.78% interest in Build King.

For the year ended 31st December, 2015, Build King recorded revenue of HK$4,572 million (2014: HK$3,237 million) and an audited profit attributable to its owners of HK$94 million (2014: HK$55 million), an increase of 71% as compared with that of 2014. This comprises profit of HK$91 million (2014: HK$57 million) from construction operation and gain of HK$3 million (2014: loss of HK$2 million) from investment in listed securities.

The significant improvement of the results was attributable to increasing turnover and the healthy margin of major projects awarded in past two years. Although Build King encountered difficulties in two railway projects, its gross profit margin was maintained as healthy and only dropped slightly from 6.8% to 6%. Despite the expansion of the operation, Build King's head quarter supporting departments took various measures to enhance the efficiency and controlled the increase of administrative expense at 11% only. Overall, the profit to turnover ratio was improved from 1.6% to 2.1%.

Build King secured 13 new projects during the year with a total contract sum of HK$5 billion. As of the date of this announcement, the outstanding value of contracts on hand was HK$11 billion.

The outlook of construction industry in the next few years is not too promising, as the amount in infrastructure will be reduced. With the gradual completion of many major ongoing projects, the industry is looking forward to the rolling out of new infrastructure projects. The earliest would be the third runway which is 3 years away.

Leveraged on outstanding contracts on hand which are sufficient for workload in 2016 and part of 2017, Build King will not relax its cautious attitude toward pricing tenders despite of the competitive market and continue to focus on only those projects that it has an edge and will be profitable with healthy cashflow. To face the many challenges ahead, Build King has been looking at lean construction for quite some time with a view to bring in new technology and at the same time encourage innovative ideas to enable it to remain competitive in the market. On current projects, overall progress was satisfactory. During the year, the building division successfully completed two projects.

In PRC, the sewage treatment plant at Wuxi City maintained treatment volume steadily increasing and recorded a mild increase of 7% of profit. During the year, Build King ventured into a new business – central heating in northern China, by acquiring 49% of equity interest in a company operating in Dezhou, Shan Dong Province at a price of RMB34.71 million. Build King expects the acquisition will complete in April 2016 and the new investment will provide a stable income stream to Build King.

Construction Materials

For the year ended 31st December, 2015, the construction materials division recorded revenue of HK$582 million (2014: HK$663 million) and a net profit of HK$33 million (2014: HK$38 million).

The Group has been awarded the tender for The Rehabilitation of Lam Tei Quarry - Extended Works in March 2015 and the handover of the site by Hong Kong Government was in October 2015.

Although part of pre-operating expenses incurred in 2015 for the establishment of the concrete batching and asphalt production facilities at Lam Tei site had partly offset the positive results of the division, the results for the division in 2015 was only slightly below that of 2014. With some of the existing projects near completion later in 2016, we will continue to look for opportunities to sustain long term growth of the division.

The construction of the concrete batching and asphalt production facilities at Lam Tei will be completed in the first half of 2016. With additional concrete batching facilities, it will assist the division in achieving better geographic coverage and access to more market in the long run.

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

Quarrying

For the year ended 31st December, 2015, the quarrying division recorded revenue of HK$172 million (2014: HK$171 million) and a net loss of HK$1 million (2014: HK$3 million).

In 2015, the results of the quarrying division excluded Lam Tei Quarry recorded some profit due to slight improvement of profit margin as a result of perpetual cost control measures exercised for production of aggregates at Niu Tou Island and the positive impact of devaluation in Renminbi on costs incurred in China throughout the year.

As a substantial amount of pre-operating costs for setting up the crushing facilities at Lam Tei has been incurring until its completion before the commencement of crushing operation in the first half of 2016, the overall results of the quarrying division is therefore in a loss position in the current year. Lam Tei Quarry is located in Hong Kong and will have geographic and synergic advantages to the Group’s construction and construction materials divisions in the coming years.

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. For the year ended 31st December, 2015, the occupancy rates of these nine properties maintained around 95% on average. During the year, the Group shared profit and received dividends of HK$6.5 million and US$0.63 million (equivalent to HK$4.9 million) from Grand China Fund respectively. In the first quarter of 2016, US Company I is negotiating to dispose of two out of the nine properties held in order to maximize the return of the portfolio as a whole.

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. A potential buyer has signed the letter of intent to purchase the whole property held by US Company II and conducted the due diligence in January 2016. It is expected that the disposal transaction will be completed in the fourth quarter 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.

Talent Set Global Limited ("Talent Set"), a wholly owned subsidiary of the Company, entered into the Potential Investment Agreement with Landsea Green Properties Co., Ltd. and Landsea Holdings Corporation on 18th February, 2016 for the potential investment in Sunnyvale project. The project involves the development on the Sunnyvale Land of three-storeyed cluster townhouses, three-storeyed small townhouses and three-storeyed large townhouses respectively in three lots of land of 25.2 acres in total comprised in the Sunnyvale Land. Under the Potential Investment Agreement, an amount of US$57 million (approximately HK$447 million) was paid by Talent Set for capital contribution representing 30% effective interest in the Sunnyvale project subject to relevant parties entering into the definitive agreements. The acquisition of the Sunnyvale Land by the Project Company was completed on 22nd February, 2016. As of the date of this announcement, the definitive agreements have not yet been signed.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings increased from HK$295 million to HK$494 million with the maturity profile summarised as follows:

	31st December,	
	2015	2014
	HK$'million	*HK$'million*
Within one year	**243**	227
In the second year	**55**	63
In the third to fifth year inclusive	**159**	5
Over five years	**37**	-
	494	295
Classified under:		
Current liabilities *(note a)*	**325**	283
Non-current liabilities *(note b)*	**169**	12
	494	295

Notes:

(a) At 31st December, 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$82 million (2014: HK$56 million) have been classified as current liabilities.

(b) At 31st December, 2015, the amount included bonds with carrying amounts of HK$114 million (2014: nil) carrying fixed coupon interest of 7% per annum and HK$37 million (2014: nil) carrying fixed coupon interest of 5% per annum respectively.

During the year, the Group had no financial instruments for hedging purpose. At 31st December, 2015, apart from the bonds described above, the Group had no fixed-rate borrowings.

At 31st December, 2015, total amount of the Group's bank balances and cash was HK$882 million (2014: HK$453 million), of which bank deposits amounting to HK$0.08 million (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$427 million (2014: HK$177 million) and HK$25 million (2014: HK$24 million) respectively.

For the year ended 31st December, 2015, the Group recorded finance costs of HK$22 million (2014: HK$9 million).

At 31st December, 2015, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$27 million (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$20 million (2014: HK$20 million) were pledged to a bank to secure certain general banking facilities granted to Build King. For the year ended 31st December, 2015, the Group recorded a net gain (net amount of change in fair value, dividend and interest income) of HK$3 million (2014: net loss of HK$1 million) from these investments, of which net gain of HK$3 million (2014: net loss of HK$2 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 year. The Group will continue to monitor its exposure to the currency risks closely.

Capital Structure and Gearing Ratio

At 31st December, 2015, the equity attributable to owners of the Company amounted to HK$5,699 million, representing HK$7.19 per share (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 dividends paid during the year.

At 31st December, 2015, the gearing ratio, representing the ratio of interest bearing borrowings to equity attributable to owners of the Company, was 8.7% (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 -6.8% (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 31st December, 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 (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 31st December, 2015, the Group committed capital expenditure in respect of acquisition of property, plant and equipment of which HK$43 million (2014: HK$6 million) was contracted for but not provided in the Group's consolidated financial statements and HK$30 million (2014: nil) was authorised but not contracted for. In addition, the Group also authorised but not contracted for acquisition of 49% equity interest in a PRC company amounting to HK$41 million (2014: nil).

Contingent Liabilities

At 31st December, 2015, the Group had outstanding tender/performance/retention bonds in respect of construction contracts amounting to HK$309 million (2014: HK$234 million).

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2015, the Group had 1,929 employees (2014: 1,600 employees), of which 1,821 (2014: 1,484) were located in Hong Kong, 107 (2014: 112) were located in the PRC and 1 (2014: 4) was located in UAE. For the year ended 31st December, 2015, the Group's total staff costs were HK$789 million (2014: HK$637 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 2015, the performance of the Group's construction division was substantial improved; however, the funding delays in approval of the government budget related to mega infrastructure projects hindered their roll out schedule. Therefore, the Group's construction division and construction materials division will face challenging time in the coming years. In order to face the coming challenges, the Group would continue implementing cost control measures to strengthen our competiveness.

In addition to the site formation and quarrying operations, the contract of Lam Tei Quarry allows the operator to set up crushing facilities, concrete batching facilities and asphalt production facilities at the site. It is anticipated that the establishment of the processing plants will be completed in the second quarter of 2016. In view of the substantial part of the pre-operating costs of processing plants to be incurred in first half year of 2016, it is anticipated that the performance of the quarrying and construction materials divisions will be lower than that in 2015. The securing of the Lam Tei Quarry will complement the operations of the Group's quarrying, construction materials and construction divisions, which in the long run benefits the Group as a whole.

The performance of the property funds in 2015 is in line with budget and is anticipated to have some returns in 2016. 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 sustainable growth of the Group.

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, 2015.

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 year ended 31st December, 2015.

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, 2015, 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 Thursday, 19th May, 2016 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 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 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, 18th March, 2016

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. Tsang Yam Pui, 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.