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CHINNEY KIN WING HOLDINGS LIMITED
建業建榮控股有限公司*

(Incorporated in Bermuda with limited liability)
 (Stock Code: 1556)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the “Board”) of Chinney Kin Wing Holdings Limited (the “Company”) is pleased to announce the consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015 and the consolidated statement of financial position of the Group as at 31 December 2015 together with comparative figures in 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December	
		2015 HK\$'000	2014 HK\$'000
REVENUE	3	1,518,926	1,381,489
Cost of construction		<u>(1,105,725)</u>	<u>(1,103,437)</u>
Gross profit		413,201	278,052
Other income and gains	4	933	4,081
Administrative expenses		(242,362)	(166,530)
Finance costs	5	<u>-</u>	<u>(75)</u>
PROFIT BEFORE TAX	6	171,772	115,528
Income tax expense	7	<u>(31,273)</u>	<u>(16,938)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>140,499</u>	<u>98,590</u>
Profit and total comprehensive income attributable to: Equity holders of the Company		<u>140,499</u>	<u>98,590</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted		<u>HK 12.00 cents</u>	<u>HK8.82 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	31 December 2015 HK\$'000	31 December 2014 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		382,810	269,586
Deferred tax assets		<u>352</u>	<u>1,952</u>
Total non-current assets		<u>383,162</u>	<u>271,538</u>
CURRENT ASSETS			
Inventories		1,597	3,103
Gross amount due from contract customers		93,161	43,067
Trade receivables	10	32,399	189,213
Retention monies receivable		199,502	164,425
Prepayments, deposits and other receivables		16,607	19,068
Due from the Remaining Group		-	21,962
Pledged time deposits		13,928	11,755
Cash and cash equivalents		<u>302,102</u>	<u>155,254</u>
Total current assets		<u>659,296</u>	<u>607,847</u>
CURRENT LIABILITIES			
Gross amount due to contract customers		457,266	420,221
Trade payables	11	113,265	126,790
Retention monies payable		29,074	26,090
Other payables and accruals		43,921	39,334
Due to the Remaining Group		-	96
Tax payable		<u>14,130</u>	<u>9,579</u>
Total current liabilities		<u>657,656</u>	<u>622,110</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>1,640</u>	<u>(14,263)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>384,802</u>	<u>257,275</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>39,116</u>	<u>33,753</u>
Net assets		<u>345,686</u>	<u>223,522</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		150,000	-
Reserves		<u>195,686</u>	<u>223,522</u>
Total equity		<u>345,686</u>	<u>223,522</u>

NOTES:

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda on 29 May 2015. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 2308, 23/F., Wing On Centre, 111 Connaught Road Central, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 November 2015 (the “Listing Date”).

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally involved in foundation construction, and drilling and site investigation works for both public and private sectors in Hong Kong and Macau (the “Foundation Business”).

As at 31 December 2015, Chinney Alliance Group Limited (“CAGL”), a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange, is the ultimate holding company of the Company.

The Company and its subsidiaries are hereinafter collectively referred to as the “Group”; whereas CAGL and its subsidiaries, but excluding the Group, are hereinafter collectively referred to as the “Remaining Group”.

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on the Stock Exchange (the “Reorganisation”), the Company became the holding company of the companies now comprising the Group on 15 October 2015.

Prior to the incorporation of the Company, the Foundation Business was carried out by certain subsidiaries of CAGL. In order to rationalise the current structure of the Group, the Company underwent the Reorganisation to acquire the shares of Kin Wing Chinney (BVI) Limited (“Kin Wing”) which is the then holding company of the companies now comprising the Group on 15 October 2015.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 BASIS OF PREPARATION

Pursuant to the Reorganisation, the companies now comprising the Group were under the common control of the controlling shareholder before and after the Reorganisation. Accordingly, these financial statements have been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the financial periods presented.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

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

Other than as explained below regarding the impact of *Annual Improvements to HKFRSs 2010-2012 Cycle* and *Annual Improvements to HKFRSs 2011-2013 Cycle*, the adoption of the above revised standards has had no significant financial effect on these financial statements.

(a) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- *HKFRS 8 Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.
- *HKAS 24 Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

(b) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- *HKFRS 13 Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is organised into business units based on their services and has two reportable operating segments as follows:

- Foundation construction and ancillary services (the “Foundation Division”); and
- Drilling and site investigation (the “Drilling Division”)

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, finance costs as well as unallocated corporate gains and expenses are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2015

	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	1,375,772	143,154	1,518,926
Intersegment sales	-	43,166	43,166
Other revenue	<u>745</u>	<u>178</u>	<u>923</u>
	1,376,517	186,498	1,563,015
<i>Reconciliation:</i>			
Elimination of intersegment sales			(43,166)
Other revenue			<u>(923)</u>
Revenue			<u><u>1,518,926</u></u>
Segment results	184,870	8,231	193,101
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(21,717)
Interest income			<u>388</u>
Profit before tax			<u><u>171,772</u></u>
Segment assets	946,920	95,538	1,042,458
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>-</u>
Total assets			<u><u>1,042,458</u></u>
Segment liabilities	585,325	110,744	696,069
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>703</u>
Total liabilities			<u><u>696,772</u></u>
Other segment information:			
Depreciation	47,055	983	48,038
Capital expenditure*	<u>163,662</u>	<u>330</u>	<u>163,992</u>

* Capital expenditure represents additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 31 December 2014

	Foundation construction and ancillary services <i>HK\$'000</i>	Drilling and site investigation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	1,233,410	148,079	1,381,489
Intersegment sales	-	22,371	22,371
Other revenue			
- Rental income from leasing of machinery	1,065	-	1,065
- Others	2,896	120	3,016
	<u>1,237,371</u>	<u>170,570</u>	<u>1,407,941</u>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(22,371)
Other revenue			<u>(4,081)</u>
Revenue			<u><u>1,381,489</u></u>
Segment results	105,746	7,314	113,060
<i>Reconciliation:</i>			
Corporate and other unallocated expenses			(69)
Interest income			2,612
Finance costs			<u>(75)</u>
Profit before tax			<u><u>115,528</u></u>
Segment assets	794,276	85,109	879,385
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>-</u>
Total assets			<u><u>879,385</u></u>
Segment liabilities	562,055	93,688	655,743
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>120</u>
Total liabilities			<u><u>655,863</u></u>
Other segment information:			
Depreciation	34,795	955	35,750
Capital expenditure*	<u>74,032</u>	<u>1,656</u>	<u>75,688</u>

* Capital expenditure represents additions to property, plant and equipment.

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	1,512,567	1,212,749
Macau	6,359	168,740
	<u>1,518,926</u>	<u>1,381,489</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	<u>382,810</u>	<u>269,586</u>

The non-current asset information above is based on the locations of assets and excludes deferred tax assets.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the Group's revenue, is set out below:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	279,956	*
Customer B	192,702	248,903
Customer C	165,975	*
Customer D	*	230,393
Customer E	*	168,740
	<u> </u>	<u> </u>

* Less than 10%

4. OTHER INCOME AND GAINS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank interest income	388	1,003
Interest income from the Remaining Group	-	1,609
Rental income from leasing of machinery	-	1,065
Exchange gains, net	367	-
Gain on disposal of items of property, plant and equipment, net	-	404
Others	178	-
	<u>933</u>	<u>4,081</u>

5. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank loans and overdrafts	<u>-</u>	<u>75</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contract costs	1,105,725	1,103,437
Depreciation	48,038	35,750
Less: Amount capitalised in contract costs	<u>(519)</u>	<u>(443)</u>
	<u>47,519</u>	<u>35,307</u>
Staff costs (including directors' remuneration)		
Salaries, wages and allowances	271,496	208,412
Pension scheme contributions	<u>9,244</u>	<u>6,833</u>
	280,740	215,245
Less: Amounts capitalised in contract costs	<u>(184,004)</u>	<u>(149,575)</u>
	<u>96,736</u>	<u>65,670</u>
Auditors' remuneration	1,420	1,082
Minimum lease payments under operating leases	3,381	2,991
Loss/(gain) on disposal of items of property, plant and equipment	2,652	(404)
Foreign exchange differences, net	<u>(367)</u>	<u>393</u>

7. INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	23,730	8,673
Over provision in prior years	(80)	(35)
Current – Macau		
Charge for the year	660	2,370
Deferred	<u>6,963</u>	<u>5,930</u>
Total tax charge for the year	<u>31,273</u>	<u>16,938</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Macau complementary income tax has been provided at the rate of 12% (2014: 12%) on the estimated assessable profits arising in Macau during the year.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK\$140,499,000 (2014: HK\$98,590,000) and the weighted average number of ordinary shares of 1,170,945,205 (2014: 1,117,500,000) in issue during the year, as if the Reorganisation had been effective since 1 January 2014.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2015 includes the one ordinary share of the Company issued upon incorporation, the 9,999 new ordinary shares issued pursuant to the Reorganisation and the 1,117,490,000 new ordinary shares issued pursuant to the capitalisation issue, as if all these shares had been in issue throughout the year ended 31 December 2015, and the weighted average of 382,500,000 new ordinary shares issued in connection with the listing of the ordinary shares of the Company on the Stock Exchange.

The number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2014 was based on 1,117,500,000 ordinary shares, representing the number of ordinary shares of the Company immediately after the capitalisation issue, as if all these shares had been in issue throughout the year ended 31 December 2014.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

9. DIVIDENDS

	Notes	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividend	(a)	21,962	100,500
Special dividend	(b)	210,000	-
Proposed special dividend of HK3.0 cents per ordinary share	(c)	<u>45,000</u>	<u>-</u>
		<u>276,962</u>	<u>100,500</u>

Notes:

- (a) On 15 October 2015, Kin Wing, the then holding company of the companies now comprising the Group declared and paid an interim dividend of HK\$21,962,000 to a former immediate holding company (before the Reorganisation) pursuant to the Reorganisation.
- (b) On 20 October 2015, the Company declared and paid a special dividend of HK\$210,000,000 to the then sole shareholder.
- (c) The proposed special dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. TRADE RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<u>32,399</u>	<u>189,213</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing. At 31 December 2015, the Group has certain concentration risk that may arise from the exposure to the five largest customers which accounted for 79% (2014: 70%) of the Group's total receivables. At 31 December 2015, the Group has certain concentration risk that may arise from the exposure to the largest customer which accounted for 33% (2014: 27%) of the Group's total receivables.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current to 30 days	20,101	117,602
31 to 60 days	876	32,787
61 to 90 days	572	38,552
Over 90 days	<u>10,850</u>	<u>272</u>
	<u>32,399</u>	<u>189,213</u>

11. TRADE PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	<u>113,265</u>	<u>126,790</u>

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current to 30 days	107,087	68,880
31 to 60 days	3,237	39,863
61 to 90 days	459	10,655
Over 90 days	<u>2,482</u>	<u>7,392</u>
	<u>113,265</u>	<u>126,790</u>

The trade payables are non-interest bearing and normally settled on 30-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

Set out below is the breakdown of revenue of the Group during the current and previous year:

	2015 <i>HK\$'000</i>	2014 <i>HK'000</i>
Foundation Division	1,375,772	1,233,410
Drilling Division	143,154	148,079
	<u>1,518,926</u>	<u>1,381,489</u>

The Group's total revenue for the year under review was approximately HK\$1,518.93 million (2014: HK\$1,381.49 million), representing an increase of approximately 9.95% over the previous year. Such increase was mainly due to the Group's efforts in pursuing projects of relatively larger scale in terms of contract sum.

Gross profit and gross profit margin

During the year under review, the Group's total gross profit was approximately HK\$413.20 million (2014: HK\$278.05 million), representing an increase of approximately 48.61% over the previous year. The increase in the total gross profit for the year was due to the growth of the Group's revenue and the improved gross profit margin from more technically complex and sizable projects and the successful implementation of stringent project cost control policies. The Group's gross profit margin for the year was approximately 27.20% (2014: 20.13%).

Administrative expenses

The Group's general and administrative expenses increased to approximately HK\$242.36 million for the year under review from approximately HK\$166.53 million for the year ended 31 December 2014, representing an increase of approximately 45.54%. Such increase was mainly due to the incurring of listing expenses, increase in staff costs and depreciation charges derived from the acquisition of machinery during the year.

Net profit

The Group's net profit for the year under review was approximately HK\$140.50 million (2014: HK\$98.59 million), representing an increase of approximately 42.51% over the previous year. The increase in net profit was mainly attributable to the increase of gross profit.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2015, the Group had unpledged cash and bank balances of approximately HK\$302.10 million as compared with that of 31 December 2014 of approximately HK\$155.25 million. The increase was mainly due to the net cash inflow from operating activities and the issue of new shares upon listing of the Company's shares on the Main Board of the Stock Exchange.

Funding and treasury policy

The Group maintains a prudent funding and treasury policy. Surplus funds are maintained in the form of cash deposits with licensed banks. Borrowings are mainly denominated in Hong Kong dollars and bear interest at floating rates. To manage liquidity risk, the board of directors closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of assets

As at 31 December 2015, time deposits of approximately HK\$12.93 million (2014: HK\$10.76 million) were pledged to banks to secure the performance bonds issued in favour of the Group's clients on contracting works. In addition, a time deposit of HK\$1.00 million (2014: HK\$1.00 million) was pledged to a bank to secure general banking facilities extended to the Group.

Capital commitments

As at 31 December 2015, the Group had capital commitments of approximately HK\$11.59 million (2014: HK\$11.65 million) contracted for the acquisition of machinery.

Contingent liabilities

As at 31 December 2015, the Group provided corporate guarantees and indemnities to certain banks for an aggregate amount of approximately HK\$285.81 million (2014: HK\$236.32 million) for the issue of performance bonds in its ordinary course of business. Certain of these performance bonds were also secured by time deposits amount to approximately HK\$12.93 million (2014: HK\$10.76 million).

As at 31 December 2014, the Group had provided guarantees to banks in connection with the banking facilities granted to the Remaining Group to an amount of approximately HK\$413.00 million. All such guarantees were cancelled upon the listing of the Company on the Listing Date.

Employees and remuneration policies

As at 31 December 2015, the Group employed 552 staffs in Hong Kong. Remuneration packages are reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments and year-end discretionary bonuses, the Group also provides other employment benefits including medical insurance cover, provident fund and educational subsidies to eligible staff.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on the Main Board of the Stock Exchange on 11 November 2015, after deduction of related issuance expenses, amounted to approximately HK\$192.71 million. As at 31 December 2015, the unused proceeds of approximately HK\$155.85 million were deposited into licensed banks in Hong Kong.

As at 31 December 2015, the net proceeds had been utilised as follows:

	Actual net proceeds <i>HK\$million</i>	Amount utilised up to 31 December 2015 <i>HK\$million</i>	Balance as at 31 December 2015 <i>HK\$million</i>
Acquisition of additional machinery	115.63	35.49	80.14
Investment in human resources	38.54	0.48	38.06
Enhancement of design capability and modifications of plant and machinery	19.27	0.89	18.38
General working capital	19.27	-	19.27
Total	<u>192.71</u>	<u>36.86</u>	<u>155.85</u>

OUTLOOK AND FUTURE PLANS

As at 31 December 2015, the Group had 14 and 39 projects in progress with contract sum of approximately HK\$2,003 million and HK\$226 million in the Foundation Division and the Drilling Division respectively. Subsequent to the year ended 31 December 2015 and up to the date of this announcement, our Foundation Division and Drilling Division had submitted 39 and 72 tenders respectively and during the aforesaid period, we have been awarded 4 foundation contracts and 12 drilling contracts with total contract sum of approximately HK\$219 million.

Aiming at profit maximisation of the Group's existing contracts on hand and to cope with the highly competitive foundation market condition, we will focus to strengthen the capabilities of our Project management team, Production capacities and efficiency as well as the operation of the Plant department (namely the "3P Enhancement Program"). While self-improvement of the other 10 operation departments within their own team will be underway to contribute for the entire better performance of the Group as a whole. In particular, we will upgrade our design capability by employing advance computer software to derive a more economical foundation proposal to target for, as our usual edge and strategy, design and build contracts. In view of our long term development in the foundation industry in Hong Kong, our Group will seek opportunity to invest a self-owned open storage depot for our advanced fleet of machinery.

With the platform of the listing status, the continued improvement of our competitive strength and the strong financial resources of the Group, we are convinced that our Group shall be able to have a sustainable development in the future.

PROPOSED SPECIAL DIVIDEND

As mentioned above, the Group expects to continue to perform satisfactorily on project costs estimation and avoidance of cost overruns or delays with the collective efforts of the members of our Execution Panel and our employees. All these factors attribute to the significant increase in profit achieved for the year under review relative to the previous year and also pave the way for a solid financial base of the Group in forthcoming years. As a reward to shareholders for their support to the Group for the listing the Company's shares in November last year, the Board recommend the payment of a special dividend of HK3.0 cents per share for the year ended 31 December 2015 to the shareholders whose names appear on the Company's register of members on 10 June 2016. Subject to approval by the shareholders on the forthcoming annual general meeting, the dividend cheques are expected to be despatched to the shareholders on or before 27 June 2016.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 1 June 2016. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 30 May 2016 to 1 June 2016 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on 27 May 2016.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed special dividend for the year ended 31 December 2015 is subject to the approval by the shareholders at the annual general meeting. For determining the entitlement to the proposed special dividend, the register of members of the Company will be closed from 8 June 2016 to 10 June 2016 (both days inclusive), during which period no share transfers will be registered. The last day for dealing in the Company's share cum entitlements to the proposed special dividend will be 3 June 2016. In order to qualify for the proposed special dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on 7 June 2016.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our customers, business partners and shareholders for their long-lasting support. I would also like to thank my fellow directors for their advice and guidance, Execution Panel for their management of operation departments and all colleagues for their hard work, loyalty and contribution which are very essential to the Group's success during the past year.

CORPORATE GOVERNANCE

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) set out in Appendix 10 of the Listing Rules. On specific enquiries made, all directors of the Company have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2015.

Compliance with the Code on Corporate Governance Practices

In the opinion of the directors, the Company has complied with all relevant code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the year, except code provision A.1.1, which stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. The Company did not hold any board meeting during the short period from the Listing Date to 31 December 2015. From 2016 onwards, the Board will conduct meetings regularly in compliance with the CG Code.

Details of the Company’s corporate governance policies and practices (including the above deviation from the code provisions) will be discussed in the Company’s 2015 annual report.

Audit Committee

The Audit Committee comprises all the three independent non-executive directors namely Mr. Siu-Chee Kong (Chairman of the Audit Committee), Mr. Ivan Ti-Fan Pong and Mr. Robert Che-Kwong Tsui.

The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management and the external auditors the financial reporting matters of the Group for the year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed shares during the year.

By Order of the Board
Herman Man-Hei Fung
Chairman

Hong Kong, 30 March 2016

At the date of this announcement, the Board comprises of seven directors, of which four are executive directors, namely Mr. Herman Man-Hei Fung, Mr. Yuen-Keung Chan, Mr. Wing-Sang Yu and Mr. Hin-Kwong So; and three are independent non-executive directors, namely Mr. Siu-Chee Kong, Mr. Ivan Ti-Fan Pong and Mr. Robert Che-Kwong Tsui.

** For identification purpose only*