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 2016

FINANCIAL HIGHLIGHTS

(All in Hong Kong dollar)

	Year ended 30 June	
	2016	2015
Revenue	**$488 million**	$503 million
Gross profit	**$45 million**	$52 million
Net profit	**$12 million**	$11 million
Equity attributable to owners of the Company	**$170 million**	$159 million
Basic earnings per share	**1.0 cent**	1.0 cent

RESULTS

The board (the "Board") of directors (the "Directors") of Yat Sing Holdings Limited (the "Company") is pleased to present the consolidated audited results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2016 (the ''Year'') as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Revenue	*3*	**488,065**	503,195
Cost of services		**(443,118)**	(450,790)
Gross profit		**44,947**	52,405
Other income		**322**	332
Loss on fair value change on held-for-trading investments		**(1,135)**	–
Administrative expenses		**(26,579)**	(35,836)
Finance costs	*4*	**(409)**	(414)
Profit before taxation		**17,146**	16,487
Income tax expense	*5*	**(5,491)**	(5,525)
Profit and total comprehensive income for the year	*6*	**11,655**	10,962
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**11,581**	10,839
Non-controlling interests		**74**	123
		11,655	10,962
Earnings per share (HK cents)			
Basic and diluted	*8*	**1.0**	1.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**5,100**	3,331
Available-for-sale investments		**1,974**	1,974
Rental deposit		**780**	–
Deposits paid for property, plant and equipment		**–**	222
		7,854	5,527
Current assets			
Held-for-trading investments		**3,881**	–
Amounts due from customers for contract work		**–**	–
Trade and other receivables	*9*	**218,213**	199,848
Pledged bank deposits		**–**	5,000
Bank balances and cash		**52,396**	98,901
		274,490	303,749
Current liabilities			
Trade and other payables	*10*	**104,689**	129,610
Bank borrowings		**–**	10,116
Obligations under finance leases – due within one year		**1,408**	817
Tax payable		**4,184**	8,812
		110,281	149,355
Net current assets		**164,209**	154,394
Total assets less current liabilities		**172,063**	159,921
Non-current liabilities			
Other payables	*10*	**125**	–
Obligations under finance leases – due after one year		**477**	313
Long service payment obligations		**326**	218
Deferred tax liabilities		**415**	325
		1,343	856
Net assets		**170,720**	159,065

	2016	2015
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**11,189**	11,189
Reserves	**159,040**	147,459
Equity attributable to:		
Owners of the Company	**170,229**	158,648
Non-controlling interests	**491**	417
Total equity	**170,720**	159,065

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS(s))" issued by the Hong Kong Institute of Certified Public Accountants (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 except for certain financial instruments that are measured at fair value.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Application of new and revised HKFRSs

The Group has applied all the HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and interpretations issued by the HKICPA which are effective for the Group's financial year beginning on 1 July 2015.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9 (2014)	Financial Instruments[3]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure Initiative[2]
Amendments to HKAS 12	Recongition of Deferred Tax Assets to Unrealised Losses[2]
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 2	Classification and Measurement of Share-based Payment Transactions[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
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]
Amendments to HKFRS 15	Clarification to HKFRS 15[3]

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
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective date not yet been determined

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 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 an impact on the Group's results and financial position, including the classification categories and the measurement of financial assets, and disclosures. For instance, the Group will be required to replace the incurred loss impairment model in HKFRS 39 with an expected loss impairment model that will apply to various exposures to credit risk. HKFRS 9 will also change the way the Group classifies and measures its financial assets, and will require the Group to consider the business model and contractual cash flow characteristics of financial assets to determine classification and subsequent measurement. The Group is in the process of assessing the potential impact on the financial performance resulting from the adoption of HKFRS 9. It is not practicable to provide a reasonable estimate of that 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 2018 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.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective. HKFRS 16 replaces all existing lease accounting requirements and represents a significant change in the accounting and reporting of leases, with more assets and liabilities to be reported on the consolidated statement of financial position and a different recognition of lease costs.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. Application of HKFRS 16 may result in the recognition of right-of-use assets and corresponding lease liabilities in respect of the lease arrangements of the Group as a lessee. The Directors are in the process of assessing their impact on the financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Annual Improvement 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.

Amendments to HKAS 7 Disclosure Initiative

The amendments to HKAS 7 require entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments should be applied retrospectively and will effective from 1 January 2017. Early application is permitted. When the entity applies Amendments to HKAS 7, it is not required to provide comparative information for preceding periods.

The Directors anticipate that the application of Amendments to HKAS 7 in the future may have a material impact on the consolidated statement of cash flows in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of Amendments to HKAS 7 until the Group performs a detailed review.

Amendments to HKFRS 15 Revenue from Contracts with Customers

The amendments to HKFRS 15 provide certain clarification and outline as follows:

- clarify when a promised good or service is separately identifiable from other promises in a contract (i.e. distinct within the context of the contract), which is part of an entity's assessment of whether a promised good or service is a performance obligation;

- clarify how to apply the principal versus agent application guidance to determine whether the nature of an entity's promise is to provide a promised good or service itself (i.e. the entity is a principal) or to arrange for goods or services to be provided by another party (i.e. the entity is an agent);

- clarify for a licence of intellectual property when an entity's activities significantly affect the intellectual property to which the customer has rights, which is a factor in determining whether the entity recognises revenue over time or at a point in time;

- clarify the scope of the exception for sales-based and usage-based royalties related to licences of intellectual property (the royalty constraint) when there are other promised goods or services in the contract; and

- add two practical expedients to the transition requirements of HKFRS 15 for:

  (a) completed contracts under the full retrospective transition approach; and

  (b) contract modifications at transition.

The amendments to HKFRS 15 do not change the effective date of HKFRS 15 and therefore will be effective for annual periods beginning or after 1 January 2018. Early application the amendments to HKFRS 15 together with HKFRS 15 continue to be permitted.

The Directors anticipate that the application of amendments to HKFRS 15 together with the HKFRS 15 in the future may have a material impact on 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 amendments to HKFRS 15 until the Group performs a detailed review.

3. 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 segments:

For the year ended 30 June 2016

	Building maintenance *HK$'000*	**Renovation** *HK$'000*	**Total** *HK$'000*
Segment revenue	**341,320**	**146,745**	**488,065**
Segment profit	**41,537**	**3,194**	**44,731**
Unallocated corporate income			**322**
Loss on fair value change on held-for-trading investments			**(1,135)**
Central administration costs			**(26,363)**
Finance costs			**(409)**
Profit before taxation			**17,146**

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

Segment profit represents the profit earned by each segment without allocation of certain unallocated corporate income, loss on fair value change on held-for-trading investments, 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 2016 and 2015.

Segment assets and liabilities

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

	2016 ***HK$'000***	2015 *HK$'000*
Segment assets		
Building maintenance	**110,742**	98,080
Renovation	**106,492**	103,481
Total segment assets	**217,234**	201,561
Unallocated corporate assets	**65,110**	107,715
Total assets	**282,344**	309,276
Segment liabilities		
Building maintenance	**56,983**	46,846
Renovation	**43,744**	78,530
Total segment liabilities	**100,727**	125,376
Unallocated corporate liabilities	**10,897**	24,835
Total liabilities	**111,624**	150,211

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, rental deposit, held-for-trading 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, 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.

4. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
– Bank borrowings	**340**	376
– Obligations under finance leases	**69**	38
	409	414

5. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Hong Kong Profit Tax:		
Current tax	**3,903**	5,458
Under-provision in prior years	**1,498**	–
	5,401	5,458
Deferred taxation	**90**	67
	5,491	5,525

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 British Virgin Islands (''BVI''), the Group is not subject to any income tax in the Cayman Islands and BVI.

6. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Staff costs (including Directors' emoluments)	**42,190**	35,131
Auditor's remuneration	**936**	900
Depreciation of property, plant and equipment	**1,117**	718
Written off on other receivables	**–**	300
Net loss on disposal of property, plant and equipment	**216**	53
Minimum lease payments paid under operating lease	**1,906**	1,303
Listing expenses (included in administrative expenses)	**–**	12,121

7. DIVIDENDS

During the year ended 30 June 2016, no interim dividend (2015: HK$86,613,000) was declared by the Company.

The Board does not recommend the payment of a final dividend for the year ended 30 June 2016 (2015: nil).

8. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**11,581**	10,839

	2016	2015
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,118,800**	1,043,319

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 2016 and 2015.

The weighted average number of ordinary share in issue during the year ended 30 June 2015 represented 978,950,000 ordinary shares issued as part of common control combination as if such shares were issued on 1 July 2014, and the weighted average of 139,850,000 ordinary shares issued under share offer during the year.

9. 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 ageing analysis of trade receivables, presented based on the certified report which approximates revenue recognition date at the end of the reporting period, and net of impairment loss recognised:

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**116,700**	71,113
91 to 180 days	**17,190**	32,997
181 to 365 days	**9,331**	26,462
1 to 2 years	**34,684**	47,052
Over 2 years	**10,434**	3,144
	188,339	180,768

10. TRADE AND OTHER PAYABLES

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

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**37,223**	33,232
91 to 180 days	**10,776**	28,639
181 to 365 days	**5,310**	21,711
1 to 2 years	**31,499**	25,361
Over 2 years	**6,199**	3,875
	91,007	112,818

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS MODEL AND STRATEGY

The 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, the Group was admitted to the Housing Authority's contractor list under the "Building (Maintenance) Group M2 (confirmed status)" category which enables the Group to tender for Housing Authority contracts for building maintenance and renovation works of unlimited value.

Our corporate objective is to create and enhance value for the shareholders of the Company (the ''Shareholders''). To attain such objective, the 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

The Group is a building maintenance and renovation service provider in Hong Kong. All revenue for the year ended 30 June 2016 was derived from building maintenance and renovation services.

Building maintenance services

As at 30 June 2016, 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$1,072.3 million. As at 30 June 2015, we had 6 building maintenance contracts on hand with a notional or estimated contract value of HK$1,400.1 million. During the Year, we have completed 1 building maintenance contract.

Renovation services

As at 30 June 2016, we had 6 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$362.7 million. As at 30 June 2015, we had 4 renovation contracts on hand with a notional or estimated contact value of HK$296.7 million. During the Year, we have completed 9 renovation contracts.

RECENT DEVELOPMENT

Building maintenance services

During the Year, we had been successfully awarded 3 contracts with a notional or estimated contract value of approximately HK$363.5 million. Of the newly awarded contracts, 2 commenced during the Year with a notional or estimated contract value of approximately HK$317.6 million.

With the completion of several District Term Contracts ("DTCs"), the Group had been awarded a new DTC with a notional or estimated contract value of approximately HK$312.8 million for a contract period of 36 months by Housing Authority in March 2016. The project had commenced in April 2016.

Renovation services

During the Year, we had been successfully awarded 9 contracts with a notional or estimated contract value of approximately HK$42.4 million. Of the newly awarded contracts, all of them commenced during the Year.

PROSPECTS

Looking forward, with continuous spending on infrastructure and residential building works by public sector, we are expecting stable growth in the building and maintenance and renovation contracting service industry in Hong Kong, on which we keep our business focus. 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 Year, the revenue of the Group was approximately HK$488.1 million representing a decrease of approximately HK$15.1 million or 3.0% compared with approximately HK$503.2 million for the year ended 30 June 2015. All revenue was derived from building maintenance and renovation services.

Revenue derived from building maintenance services increased by approximately HK$24.6 million or 7.8% from approximately HK$316.7 million for the year ended 30 June 2015 to approximately HK$341.3 million during the Year. With the commencement of two DTCs during the Year, more works orders were carried out than the year ended 30 June 2015 and resulted in an increase in revenue.

Revenue derived from renovation services showed a decrease of approximately HK$39.8 million or 21.3% from approximately HK$186.5 million for the year ended 30 June 2015 to approximately HK$146.7 million during the Year. The decrease in revenue was mainly caused by the completion of several significant contracts (including renovation term contract with an education institution) during the year ended 30 June 2015.

Gross profit

During the Year, the Group's gross profit amounted to approximately HK$44.9 million (2015: HK$52.4 million) representing a decrease of approximately HK$7.5 million or 14.3%. Gross profit margin for the Year was approximately 9.2% (2015: 10.4%), the decrease was consistent with the decline in gross profit margin for both building maintenance and renovation segments as explained below.

Gross profit attributable to building maintenance services for the Year amounted to approximately HK$41.8 million (2015: HK$41.3 million), representing a slight increase of approximately HK$0.5 million or 1.2% due to the commencement of two DTCs and resulted in increase in revenue and so as increase of gross profit. The Group's gross profit margin for building maintenance services for the Year was approximately 12.2% (2015: 13.0%). The slight decline in gross profit margin in this segment over the year ended 30 June 2015 was attributable to the percentage increase in costs for the new DTCs.

Gross profit attributable to renovation services for the Year amounted to approximately HK$3.2 million (2015: HK$11.1 million), representing a decrease of approximately HK$7.9 million or 71.2%. Gross profit margin from renovation services during the Year was approximately 2.2%, which was lower than the year ended 30 June 2015 by approximately 6.0%. With the completion of several contracts with higher gross profit margin during the Year, it resulted in decline in gross profit margin.

Other income

Other income comprised of interests amounted to approximately HK$0.3 million in 2016 and HK$0.2 million in 2015 and other miscellaneous income of the Group.

Administrative expenses

Administrative expenses decreased by approximately HK$9.2 million or 25.7% from approximately HK$35.8 million in 2015 to approximately HK$26.6 million for the Year, mainly due to the one-off Listing related professional fees of approximately HK$12.1 million recognised during the year ended 30 June 2015.

Finance costs

Finance costs for the Year amounted to approximately HK$0.4 million, which was similar in 2015.

Income tax

The effective tax rates for the Year were approximately 32.0%, which was similar in 2015.

Profit for the Year

The Group's profit for the Year increased by approximately HK$0.7 million or 6.4% from approximately HK$11.0 million in 2015 to approximately HK$11.7 million for the Year.

Liquidity, financial resources and capital structure

The Group generally finances its operation through cash from operations and bank borrowings. As at 30 June 2016, the Group had total cash and bank balances of approximately HK$52.4 million (2015: HK$98.9 million). The Group did not have any bank borrowing as at 30 June 2016 (2015: HK$10.1 million). All the cash and bank balances and bank borrowings are denominated in Hong Kong dollar.

As at 30 June 2016, the share capital and equity attributable to owners of the Company amounted to approximately HK$11.2 million and HK$170.2 million respectively (2015: HK$11.2 million and HK$158.6 million respectively).

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

Commitments

As at 30 June 2016 and 2015, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable lease of approximately HK$8.9 million and HK$0.9 million, respectively.

As at 30 June 2016, the Group had no other outstanding commitment (2015: HK$1.4 million in respect of acquisition of motor vehicles).

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 Year.

Gearing ratio

Gearing ratio is calculated based on the total debts divided by the total equity. The gearing ratio was approximately 3.7% and 12.7% as at 30 June 2016 and 2015, respectively. The decrease in gearing ratio was due to decrease in bank borrowings and increase in total equity during the Year.

Charge over assets of the Group

The Group had no pledged bank deposits as at 30 June 2016 (2015: HK$5.0 million).

As at 30 June 2016, the Group had motor vehicles amounted to HK$2.8 million held under finance leases (2015: HK$1.4 million).

Significant investments, acquisitions and disposals

There were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the Year. Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 30 June 2016.

Contingent liabilities

One subsidiary of the Company is a defendant in a number of claims, lawsuits and potential claims relating to employees' compensation cases and personal injuries claims. The Directors considered that the possibility of any outflow in settling the legal claims was remote as these claims were well covered by insurance and subcontractors' indemnity. Accordingly, no provision for the contingent liabilities in respect of the litigations is necessary, after due consideration of each case and with reference to the legal opinion.

Save as disclosed above, the Group had no material contingent liabilities as at 30 June 2016 (2015: nil).

Employees and remuneration policies

As at 30 June 2016, the Group had approximately 143 employees (2015: 127). 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.

DIVIDENDS

The Board does not recommend the payment of final dividend for the Year (2015: nil). The Company paid an interim dividend of HK$86,613,000 to the Company's then sole shareholder during the year ended 30 June 2015.

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 total net proceeds received were fully applied by the Group consistent with the disclosures in the Prospectus.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no important events effecting the Group which have occurred since the end of the financial year.

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

During the Year and up 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 Year, the Company has complied with all the Code Provisions of the CG Code save as disclosed below.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The non-executive Directors were not able to attend the annual general meeting of the Company held on 20 November 2015 (the "AGM") due to their respective business engagements. Other Board members who attend the AGM were already of sufficient calibre and number for answering questions raised by the Shareholders at that AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

Securities Transactions by Directors

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 Directors' securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code during the Year, and they have all confirmed that they had fully complied with the required standard set out in the Model Code.

Securities Transactions by Senior Management and Staff

The senior management and staff have been individually notified and advised about the Model Code by the Company.

AUDIT COMMITTEE

The Audit Committee was established on 17 December 2014 in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. The Audit Committee consists of Ms. TONG Sze Wan, Mr. GUO Biao and Ms. SONG Dan. Currently, Ms. Tong Sze Wan is the chairlady of the Audit Committee.

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

ANNUAL GENERAL MEETING (THE "AGM")

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

CHANGES IN DIRECTORS' INFORMATION

The changes in Directors' information since the disclosure made in the 2015-2016 Interim Report are set out below:

Name of Director	**Details of changes**
Mr. Lai Aizhong	Appointed as an executive Director and Chairman of the Board on 3 March 2016
Mr. Guo Biao	Appointed as an independent non-executive Director on 3 March 2016
Ms. Song Dan	Appointed as an independent non-executive Director on 3 March 2016
Mr. Liu Winson Wing Sun	Resigned as chairman of the Board on 3 March 2016
Mr. Liu Su Ke	Resigned as a non-executive Director on 3 March 2016
Mr. Kwong Ping Man	Resigned as an independent non-executive Director on 3 March 2016
Mr. Lam Yiu Por	Resigned as an independent non-executive Director on 3 March 2016
Mr. Ge Jin	Resigned as an executive Director on 6 June 2016

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 Year containing all the information required by the Listing Rules will be published on the respective websites of the Company and the Stock Exchange and despatched to the Shareholders in due course.

By order of the Board of
Yat Sing Holdings Limited
Mr. Lai Aizhong
Chairman

Hong Kong, 12 September 2016

As at the date of this announcement, the Board comprises Mr. Lai Aizhong (Chairman), Mr. Liu Winson Wing Sun, Mr. Kan Yiu Keung (Chief Executive Officer) and Mr. Chan Lo Kin as executive Directors, Mr. Kan Yiu Kwok as non-executive Director and Ms. Tong Sze Wan, Mr. Guo Biao and Ms. Song Dan as independent non-executive Directors.