WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2016

Financial Performance Highlights

Revenue	**HK$5,327 million**
Profit attributable to owners of the Company	**HK$669 million**
Basic earnings per share	**HK84.39 cents**
Final dividend per share	**HK16.5 cents**
Equity attributable to owners of the Company per share	**HK$7.50**

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, 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*2*	**5,327,112**	5,019,483
Cost of sales		**(4,754,397)**	(4,578,043)
Gross profit		**572,715**	441,440
Other income	*4*	**87,581**	42,134
Investment income, gains and losses	*5*	**(207)**	3,448
Selling and distribution costs		**(81,707)**	(72,202)
Administrative expenses		**(342,535)**	(280,464)
Finance costs	*6*	**(68,600)**	(22,452)
Share of results of associates		**516,463**	334,839
Share of results of joint ventures		**7,512**	-
Other gains and losses	*7*	**72,764**	22,384
Profit before tax	*8*	**763,986**	469,127
Income tax expense	*9*	**(29,573)**	(3,010)
Profit for the year		**734,413**	466,117
Profit for the year attributable to:			
Owners of the Company		**669,320**	420,865
Non-controlling interests		**65,093**	45,252
		734,413	466,117
		HK cents	*HK cents*
Earnings per share	*11*		
– Basic		**84.39**	53.06
– Diluted		**N/A**	53.06

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**734,413**	466,117
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(7,362)**	(6,318)
Share of translation reserves of associates	**(309,736)**	(205,799)
Other comprehensive expense for the year	**(317,098)**	(212,117)
Total comprehensive income for the year	**417,315**	254,000
Total comprehensive income for the year attributable to:		
Owners of the Company	**355,467**	211,945
Non-controlling interests	**61,848**	42,055
	417,315	254,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Non-current assets			
Property, plant and equipment		**558,789**	319,644
Intangible assets		**580,244**	615,349
Goodwill		**29,838**	29,838
Interests in associates		**5,569,562**	5,417,155
Interests in joint ventures		**58,518**	-
Available-for-sale investments		**109,215**	42,676
Other financial asset		**41,128**	44,624
Loan and other receivables		**108,258**	23,522
Deposits paid for acquisition of property, plant and equipment		**1,320**	410
		7,056,872	6,493,218
Current assets			
Inventories		**63,002**	45,801
Amounts due from customers for contract work		**324,351**	485,303
Debtors, deposits and prepayments	*12*	**1,463,404**	1,092,848
Amounts due from associates		**12,786**	10,210
Amount due from a joint venture		**321**	321
Amounts due from other partners of joint operations		**39,643**	24,366
Tax recoverable		**17,078**	2,682
Held-for-trading investments		**25,562**	27,430
Pledged bank deposits		**101**	80
Bank balances and cash		**986,452**	881,851
		2,932,700	2,570,892
Current liabilities			
Amounts due to customers for contract work		**637,795**	664,790
Creditors and accrued charges	*13*	**1,588,586**	1,445,797
Amounts due to associates		**16,400**	14,458
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**70,795**	12,119
Amounts due to non-controlling shareholders		**3,359**	3,359
Tax liabilities		**22,648**	3,746
Bank loans		**301,011**	325,408
		2,641,736	2,470,819
Net current assets		**290,964**	100,073
Total assets less current liabilities		**7,347,836**	6,593,291

	2016	2015
	HK$'000	*HK$'000*
Non-current liabilities		
Payable for extraction right	**386,495**	471,180
Provision for rehabilitation costs	**28,202**	26,889
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**16,208**	16,195
Amount due to an associate	**4,238**	4,807
Bank loans	**483,250**	18,000
Bonds	**206,580**	150,724
	1,130,723	693,545
Net assets	**6,217,113**	5,899,746
Capital and reserves		
Share capital	**79,312**	79,312
Share premium and reserves	**5,873,007**	5,619,522
Equity attributable to owners of the Company	**5,952,319**	5,698,834
Non-controlling interests	**264,794**	200,912
Total equity	**6,217,113**	5,899,746

Notes:

1. Application of New and Amendments to 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 HKAS1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 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 amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for accounting periods beginning on or after 1st January, 2017.
[2] Effective for accounting periods beginning on or after 1st January, 2018.
[3] Effective for accounting periods beginning on or after 1st January, 2019.
[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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The management of the Group anticipates that the application of HKFRS 15 in the future may result in more disclosures, however, the management of the Group do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in respective reporting periods.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating/financing cash flows respectively.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31st December, 2016, the Group has non-cancellable operating lease commitments of HK$62,442,000. The management of the Group anticipates that the application of HKFRS 16 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 16 until the Group performs a detailed review.

HKFRS 9 "Financial Instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, 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.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies at 31st December, 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as fair value through other comprehensive income (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

Except as described above, the management anticipates that the application of the above new and amendments to HKFRSs will have no material effect on the Group's consolidated financial statements.

2. Revenue

	2016	2015
	HK$'000	*HK$'000*
Revenue analysed by revenue from:		
Construction	**4,830,843**	4,539,851
Construction materials	**456,848**	450,861
Quarrying	**39,421**	28,771
	5,327,112	5,019,483

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, 2016

	Segment revenue			
	Gross *HK$'000*	**Inter-segment elimination** *HK$'000*	**External** *HK$'000*	**Segment profit (loss)** *HK$'000*
Construction	**4,871,491**	**(40,648)**	**4,830,843**	**79,437**
Construction materials	**615,514**	**(158,666)**	**456,848**	**22,261**
Quarrying	**185,295**	**(145,874)**	**39,421**	**(11,094)**
Toll road and property development	**-**	**-**	**-**	**510,636**
Total	**5,672,300**	**(345,188)**	**5,327,112**	**601,240**

Year ended 31st December, 2015

	Segment revenue			
	Gross *HK$'000*	Inter-segment elimination *HK$'000*	External *HK$'000*	Segment profit (loss) *HK$'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

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, share of results of joint ventures 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, 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

	2016	2015
	HK$'000	*HK$'000*
Total segment profit	**601,240**	408,152
Unallocated items		
Other income	**42,113**	9,778
Investment income, gains and losses	**(12)**	394
Administrative expenses	**(26,898)**	(17,115)
Finance costs	**(24,626)**	(8,839)
Share of results of associates	**5,099**	6,466
Discount on acquisition of additional interest in an associate	**72,404**	63,210
Loss on deemed disposal of partial interest in an associate	**-**	(41,291)
Gain on disposal of property, plant and equipment	**-**	110
Profit attributable to owners of the Company	**669,320**	420,865

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, 2016

	Construction	**Construction materials**	**Quarrying**	**Toll road and property development**	**Segment total**	**Adjustments**	**Intra-group elimination**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000*** *(note)*	***HK$'000***	***HK$'000***
Depreciation of property, plant and equipment	**(26,125)**	**(26,513)**	**(6,807)**	**-**	**(59,445)**	**(1,035)**	**-**	**(60,480)**
Allowance for doubtful debts	**-**	**(1,427)**	**-**	**-**	**(1,427)**	**-**	**-**	**(1,427)**
Gain on disposal of property, plant and equipment, net	**360**	**-**	**-**	**-**	**360**	**-**	**-**	**360**
Interest income	**2,465**	**-**	**200**	**-**	**2,665**	**38,050**	**(12,469)**	**28,246**
Finance costs	**(13,857)**	**(28,424)**	**(14,162)**	**-**	**(56,443)**	**(24,626)**	**12,469**	**(68,600)**
Share of results of associates	**569**	**-**	**159**	**510,636**	**511,364**	**5,099**	**-**	**516,463**
Share of results of joint ventures	**7,512**	**-**	**-**	**-**	**7,512**	**-**	**-**	**7,512**
Income tax (expense) credit	**(28,531)**	**(1,168)**	**126**	**-**	**(29,573)**	**-**	**-**	**(29,573)**

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)

Note: Adjustments represent unallocated amounts related to head office and other minor operations.

Geographical information

The Group's operations are mainly located in 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)*	
	2016 ***HK$'000***	2015 *HK$'000*	**2016** ***HK$'000***	2015 *HK$'000*
Hong Kong	**5,307,209**	4,997,212	**6,598,138**	6,209,049
The PRC	**19,903**	22,271	**78,537**	33,491
Middle East	**-**	-	**1,019**	1,019
Others	**-**	-	**120,577**	138,837
	5,327,112	5,019,483	**6,798,271**	6,382,396

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 (2015: two) customers of the construction segment located in Hong Kong individually contributing over 10% of the Group's revenue.

	2016 ***HK$'000***	2015 *HK$'000*
Customer A	**2,147,184**	2,620,645
Customer B	**1,706,405**	1,316,847
	3,853,589	3,937,492

4. Other Income

	2016	2015
	HK$'000	*HK$'000*
Other income includes:		
Interest on loan and other receivables	**26,570**	-
Interest on bank deposits	**251**	449
Interest on amounts due from associates	**215**	139
Interest on other financial asset	**1,111**	1,223
Imputed interest on loan and other receivables	**99**	307
Gain on acquisitions of subsidiaries	**-**	233
PRC value-added tax refund	**1,873**	-
Government subsidy	**188**	3,045
Operation fee income	**31,115**	18,892
Rental income from land and buildings	**397**	3,364
Rental income from plant and machinery	**1,315**	625
Service income from associates	**120**	70

5. Investment Income, Gains and Losses

	2016	2015
	HK$'000	*HK$'000*
(Loss) gain on change in fair value of held-for-trading investments, net	**(1,868)**	1,184
Dividend income from held-for-trading investments	**1,661**	2,264
	(207)	3,448

6. Finance Costs

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans	**25,961**	8,793
Interest on bonds	**12,036**	5,695
Imputed interest on payable for extraction right	**28,023**	6,987
Imputed interest on provision for rehabilitation costs	**2,043**	471
Imputed interest on non-current interest-free amount due to an associate	**537**	506
	68,600	22,452

7. Other Gains and Losses

	2016	2015
	HK$'000	*HK$'000*
Discount on acquisition of additional interest in an associate	**72,404**	63,210
Loss on deemed disposal of partial interest in an associate	**-**	(41,291)
Gain on disposal of property, plant and equipment, net	**360**	465
	72,764	22,384

8. Profit Before Tax

Profit before tax has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration		
Current year	**3,163**	3,063
Underprovision in prior year	**420**	343
	3,583	3,406
Allowance for doubtful debts	**1,427**	2,470
Amortisation of intangible assets	**33,326**	13,841
Less: Amount capitalised in inventories	**(16,039)**	(12,410)
	17,287	1,431
Depreciation of property, plant and equipment	**74,275**	67,413
Less: Amount attributable to construction contracts	**(13,795)**	(17,342)
	60,480	50,071
Exchange loss, net	**1,369**	887
Hire charges for plant and machinery	**164,409**	153,361
Less: Amount attributable to construction contracts	**(164,409)**	(153,361)
	-	-
Operating lease rentals in respect of land and buildings	**66,715**	61,333
Less: Amount attributable to construction contracts	**(13,741)**	(11,679)
	52,974	49,654
Share of income tax expense of associates (included in share of results of associates)	**764,363**	461,127
Staff costs	**914,582**	789,335
Less: Amount attributable to construction contracts	**(675,694)**	(579,390)
	238,888	209,945

9. Income Tax Expense

	2016	2015
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**24,676**	-
The PRC	**1,644**	1,958
	26,320	1,958
Underprovision in prior years		
Hong Kong	**1,839**	1,009
The PRC	**1,414**	43
	3,253	1,052
	29,573	3,010

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax had been made for the year ended 31st December, 2015 since the estimated assessable profits had 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:

	2016	2015
	HK$'000	*HK$'000*
2015 final dividend – HK9.5 cents per share (2015: 2014 final dividend – HK13.5 cents per share)	**75,347**	107,072
2016 interim dividend – HK3.3 cents per share (2015: 2015 interim dividend – HK3.3 cents per share)	**26,173**	26,173
	101,520	133,245

A final dividend for the year ended 31st December, 2016 of HK16.5 cents (2015: HK9.5 cents) per ordinary share amounting to HK$130,865,000 (2015: HK$75,347,000) 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:

	2016	2015
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**669,320**	420,865
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)
Earnings for the purpose of diluted earnings per share	**669,320**	420,810

	2016	2015
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

	2016	2015
	HK$'000	*HK$'000*
Trade debtors	**925,202**	623,864
Less: Allowance for doubtful debts	**(5,495)**	(6,136)
	919,707	617,728
Bills receivables	**11,013**	11,571
Retention receivables	**331,752**	290,415
Other debtors	**71,009**	99,852
Deposits and prepayments	**106,779**	68,812
Loan and other receivables	**23,144**	4,470
	1,463,404	1,092,848

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:

	2016	2015
	HK$'000	*HK$'000*
Trade debtors		
0 to 60 days	**898,596**	578,103
61 to 90 days	**2,780**	21,575
Over 90 days	**18,331**	18,050
	919,707	617,728
Bills receivables		
0 to 60 days	**7,579**	5,175
61 to 90 days	**2,978**	878
Over 90 days	**456**	5,518
	11,013	11,571
Retention receivables		
Due within one year	**61,618**	55,504
Due after one year	**270,134**	234,911
	331,752	290,415

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, 2016, the Group's trade debtors and retention receivables included amounts of HK$20,395,000 (2015: HK$18,845,000) and HK$14,566,000 (2015: HK$10,353,000) respectively due from related companies which are subsidiaries of a substantial shareholder of the Company.

13. Creditors and Accrued Charges

	2016	2015
	HK$'000	*HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**202,181**	187,536
61 to 90 days	**20,353**	18,565
Over 90 days	**9,583**	56,123
	232,117	262,224
Retention payables	**306,376**	244,688
Accrued project costs	**835,951**	760,105
Payable for extraction right	**90,830**	71,535
Other creditors and accrued charges	**123,312**	107,245
	1,588,586	1,445,797
Retention payables		
Due within one year	**89,769**	79,683
Due after one year	**216,607**	165,005
	306,376	244,688

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 HK16.5 cents (2015: HK9.5 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Friday, 26th May, 2017. This dividend together with the interim dividend of HK3.3 cents (2015: HK3.3 cents) per ordinary share paid during the year represent total dividend distributions of HK19.8 cents (2015: HK12.8 cents) per ordinary share for the year ended 31st December, 2016.

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, 23rd June, 2017.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 18th May, 2017, the register of members of the Company will be closed from Monday, 15th May, 2017 to Thursday, 18th May, 2017, 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 Friday, 12th May, 2017.

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, 26th May, 2017. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 25th May, 2017 to Friday, 26th May, 2017, 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, 24th May, 2017.

BUSINESS REVIEW

For the year ended 31st December, 2016, the Group's revenue was HK$5,327 million (2015: HK$5,019 million), generating an audited consolidated profit attributable to owners of the Company of HK$669 million (2015: HK$421 million), an increase of 59% as compared with that of 2015.

Toll Road and Property Development

For the year ended 31st December, 2016, the Group shared a profit of HK$511 million (2015: HK$328 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 40.94% interest in Road King.

During the year ended 31st December, 2016, the Group purchased 6,469,000 (2015: 6,031,000) 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$72 million (2015: HK$63 million) on acquisition of additional interest in Road King. During the year ended 31st December, 2015, Road King issued 10,240,000 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 on deemed disposal of partial interest in Road King in 2015. As a result, the net effect of the aforesaid transactions increased the Group's interest in Road King by 0.87% (2015: 0.26%).

For the year ended 31st December, 2016, Road King recorded an audited profit attributable to its owners of HK$1,250 million (2015: HK$820 million), an increase of 52% as compared with that of 2015.

The total traffic volume and toll revenue of Road King's toll road projects reached 80 million vehicles and RMB2,376 million respectively in 2016. Toll revenue from expressway projects accounted for 98% in the entire toll road portfolio in 2016, which was further increased as compared with 97% in 2015.

In 2016, Road King continued to divest the remaining Class I/II highway projects and the optimization of investment portfolio strategies was almost completed. Also, Road King has been seeking for new expressway projects with reasonable returns.

In 2016, Road King received cash distribution of HK$580 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 increased from HK$250 million in 2015 to HK$383 million in 2016, mainly due to the stable growth in the traffic volume of Changyi Expressway and Baojin Expressway. In addition, the expressways acquired earlier, namely Longcheng Expressway and Machao Expressway, have become mature and recorded increases in both traffic volume and toll revenue, and achieving a breakeven position and become profit making respectively.

In 2016, the revenue of Road King's property business was mainly contributed by the delivery of properties in Yangtze River Delta region. The total area delivered in 2016 was 1,204,000 sqm, with an average price of approximately RMB11,900 per sqm. Operating profit after taxation of the property business was HK$1,255 million. Taking into account the exchange and related differences of HK$123 million due to RMB depreciation, the profit for the year was HK$1,132 million.

For land reserve replenishment, Road King acquired fifteen pieces of land in the PRC and Hong Kong for residential and commercial development purpose, through listing-for-sale and acquisition in 2016, with an aggregate floor area of about 2,700,000 sqm.

In view of the prospective future of the property market in Hong Kong, Road King, for the first time, acquired a land parcel with gross floor area of about 34,000 sqm, mainly for residential development in 2016. Further in February 2017, Road King successfully won the bid of phase I of the residential plot next to Wong Chuk Hang Station with its joint venture partner. With a gross floor area of about 54,000 sqm, the project is the first railway property development project on Hong Kong Island in almost 30 years.

Road King's land reserve includes properties under planning and construction, properties held for sale and properties held for investment. At 31st December, 2016, Road King's land reserve was approximately 7,000,000 sqm.

For the toll road business, it would provide Road King with steady cash flows. Leveraging on its experience over the past two decades, Road King's business will be run and grow in a stable trend.

For the property development business, Road King is optimistic about the outlook of the property market in the PRC. At the same time, it will keep capturing new opportunities for developing its property business in Hong Kong.

Construction

For the year ended 31st December, 2016, the Group shared a profit of HK$79 million (2015: HK$48 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, 2016, Build King recorded revenue of HK$4,871 million (2015: HK$4,572 million) and an audited profit attributable to its owners of HK$150.5 million (2015: HK$94 million), an increase of 60% as compared with that of 2015. This comprises profit of HK$150.7 million (2015: HK$91 million) from construction operation and loss of HK$0.2 million (2015: gain of HK$3 million) from investment in listed securities.

The significant increase of the profit for the year was mainly because the gross margin from construction projects was improved from 6% to 7.6% and major projects awarded in the past two years have reached 25% completion stage during the year and started to recognize profit in line with budget.

As reported last year, Build King anticipated a very competitive construction market; amount of infrastructure works were dwindling due to combined adverse effects of completion of major railways and delayed funding approval by Legislative Council. Amidst of such tough environment, Build King managed to win 14 new projects (5 building and 9 civil projects) with a total contract sum of HK$6 billion, and together with the ongoing projects, Build King's order book recorded outstanding value of contracts on hand approximately HK$12 billion at the date of this announcement.

Leveraged on outstanding contracts on hand which are sufficient for workload in two years, Build King is confident to endure the difficult period of the construction industry. On current civil engineering projects, the overall progress was satisfactory. For building division, two projects were in final stage and are expected to complete in mid 2017. In addition, two building projects awarded in mid 2016 have started off smoothly.

The sewage treatment plant at Wuxi City, PRC, recorded a profit of HK$10 million and maintained average daily treated volume of 40,000 tons, both of which were comparable to last year.

In 2016, Build King acquired 49% equity interest at a price of HK$41 million in Dezhou Heng Yuan Heating Company Limited which holds exclusive right granted in 2007 to supply heat for 30 years to the west of the Jianhe in Dezhou Economic Development Zone of approximately 3.5 million square meters. In the first year operation after acquisition, this new joint venture started to contribute HK$8 million profit to Build King as planned.

Construction Materials

For the year ended 31st December, 2016, the construction materials division recorded revenue of HK$616 million (2015: HK$582 million) and a net profit of HK$22 million (2015: HK$33 million).

The results for the construction materials division for the year of 2016 were better than that of the previous year after excluding Lam Tei Quarry. However, the decrease in the overall results for the construction materials division as compared with that of the previous year was as a result of the operating losses of concrete and asphalt plants at Lam Tei Quarry which offset part of the positive results of the division.

Due to the construction of concrete batching facilities at Lam Tei Quarry was completed by the end of second quarter of 2016, substantial pre-operating expenses and fixed costs incurred in the first half year. The scale of operation of the concrete batching facilities at Lam Tei Quarry has not yet reached its full capacity and the market price for concrete in the second half of 2016 started to drop due to severe competition resulting in the profit margin generated therefrom not able to absorb the operating costs and the fixed costs of concrete batching facilities incurred at Lam Tei Quarry.

The construction of the asphalt facilities was completed in the second half of 2016. Nevertheless, as substantial time and effort had been made to deal with the new statutory environmental requirements, the commencement of asphalt facilities operation was delayed to February 2017. Due to prolonged establishment time and compliance with stringent environmental requirements, the costs increased substantially and no revenue was recorded in 2016.

For concrete business, with most of the existing major projects near completion in first quarter of 2017 and severe competition due to shrinking civil projects sector, the future outlook for this business would be very tough.

For asphalt business, we are focusing on filling up our order book and business promotion to obtain recognition from the customers. As such, the operational team will work closely with customers so as to build up the trust and establish the long term business relationships.

To sustain the long term growth of the division, management continues adopting prudent cost control measures and is committed to provide high quality of services to both our concrete and asphalt customers. With additional concrete batching facilities and asphalt facilities at Lam Tei Quarry, it will assist the division in achieving better geographic coverage and access to more market in supplying concrete and asphalt in the long run.

Quarrying

For the year ended 31st December, 2016, the quarrying division recorded revenue of HK$185 million (2015: HK$172 million) and a net loss of HK$11 million (2015: HK$1 million).

In 2016, the quarrying division, excluding Lam Tei Quarry, recorded better results than that of the previous year 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 the PRC throughout the year.

However, a substantial amount of pre-operating costs for setting up the crushing facilities at Lam Tei Quarry was incurred until full establishment of the crushing facilities in compliance with the new statutory environmental requirements was completed at the end of first half of the year. Coupled with the low sales quantities of aggregates supplied to the processing plants at Lam Tei Quarry after commencement of operation due to the delay in operations of concrete batching plant and asphalt plant, the overall results of the quarrying division in 2016 recorded a net loss that was higher than that of the previous 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. Nevertheless, the performance of quarrying division in the coming year is uncertain as it depends very much on the demand and the trend of aggregates prices in the market.

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 initially held a property portfolio comprising of nine residential rental properties in Houston, two of which was successfully disposed of in the first quarter of 2016. For the year of 2016, the occupancy rates of the remaining seven properties were around 93.2% on average and the Group shared profit of HK$6 million and received cash distributions of US$3.1 million (equivalent to HK$24 million), of which US$2.6 million (approximately HK$20 million) was from the net sales proceeds of two disposed properties, from Grand China Fund.

The Group holds 30% interest in Elite International Investment Fund I LP 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 first half of 2017. A buyer signed the purchase and sales agreement in the first quarter of 2016 to purchase the whole property held by US Company II and the completion is expected by the first half of 2017.

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. GCOI Fund invested three property development projects and one property re-development project in 2015 and invested another four projects in 2016.

Talent Set Global Limited ("Talent Set"), a wholly owned subsidiary of the Company, entered into the definitive agreements with Landsea Holdings Corporation ("LHC"), a wholly owned subsidiary of Landsea Green Properties Co., Ltd., on 13th April, 2016 to complete the investment in the 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. Talent Set holds 30% effective interest in the Sunnyvale project by an investment amount of US$57 million (approximately HK$446 million), in forms of equity and shareholder's loan, in a US investment company which made capital contribution to another US company for development of the Sunnyvale project. LHC holds 70% effective interest in the Sunnyvale project. In the fourth quarter of 2016, Talent Set has received US$38 million (approximately HK$295 million), being the partial repayment of shareholder's loan together with accrued loan interest.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings increased from HK$494 million to HK$991 million with the maturity profile summarised as follows:

	31st December, 2016	2015
	HK$'million	*HK$'million*
Within one year	**250**	243
In the second year	**170**	55
In the third to fifth year inclusive	**492**	159
Over five years	**79**	37
	991	494
Classified under:		
Current liabilities *(note a)*	**301**	325
Non-current liabilities *(note b)*	**690**	169
	991	494

Notes:

(a) At 31st December, 2016, 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$51 million (2015: HK$82 million) have been classified as current liabilities.

(b) At 31st December, 2016, the amount included bonds with carrying amounts of HK$128 million (2015: HK$114 million) carrying fixed coupon interest of 7% per annum and HK$79 million (2015: HK$37 million) carrying fixed coupon interest of 5% per annum respectively.

For the year ended 31st December, 2016, substantial increase in total amount of borrowings was mainly attributable to the fund requirements for the investment in the Sunnyvale project and the capital expenditures at Lam Tei Quarry.

During the year, the Group had no financial instruments for hedging purpose. At 31st December, 2016, apart from the bonds described above, the Group had no fixed-rate borrowings.

At 31st December, 2016, total amount of the Group's bank balances and cash was HK$987 million (2015: HK$882 million), of which bank deposits amounting to HK$0.1 million (2015: HK$0.08 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$570 million (2015: HK$427 million) and HK$24 million (2015: HK$25 million) respectively.

For the year ended 31st December, 2016, the Group recorded finance costs of HK$69 million (2015: HK$22 million).

At 31st December, 2016, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$26 million (2015: HK$27 million), comprising equity securities listed in Hong Kong. For the year ended 31st December, 2016, the Group recorded a net loss (net amount of change in fair value and dividend income) of HK$0.2 million (2015: net gain of HK$3 million) from these investments, of which net loss of HK$0.2 million (2015: net gain of HK$3 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, 2016, the equity attributable to owners of the Company amounted to HK$5,952 million, representing HK$7.50 per share (2015: HK$5,699 million, representing HK$7.19 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, 2016, the gearing ratio, representing the ratio of interest bearing borrowings to equity attributable to owners of the Company, was 16.6% (2015: 8.7%) 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 0.1% (2015: -6.8% as a result of total amount of bank balances and cash exceeded total amount of interest bearing borrowings).

Pledge of Assets

At 31st December, 2016, apart from the bank deposits pledged to secure certain general banking facilities granted to the Group, certain motor vehicles with an aggregate carrying value of HK$3 million (2015: HK$5 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, 2016, the Group committed capital expenditure of HK$105 million (2015: HK$72 million) in respect of acquisition of property, plant and equipment of which HK$101 million (2015: HK$42 million) was contracted for but not provided in the Group's consolidated financial statements and HK$4 million (2015: HK$30 million) was authorised but not contracted for. At 31st December, 2015, apart from the aforesaid capital commitment, the Group had also authorised but not contracted for capital expenditure of HK$41 million in respect of acquisition of 49% equity interest in a PRC company by Build King.

Contingent Liabilities

At 31st December, 2016, the Group had outstanding tender/performance/retention bonds in respect of construction contracts amounting to HK$614 million (2015: HK$309 million).

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2016, the Group had 2,105 employees (2015: 1,929 employees), of which 1,997 (2015: 1,821) were located in Hong Kong, 107 (2015: 107) were located in the PRC and 1 (2015: 1) was located in UAE. For the year ended 31st December, 2016, the Group's total staff costs were HK$915 million (2015: HK$789 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

The performance of the Group's construction division was substantially improved in 2016. With the contracts on hand, it is expected that the performance of this division would be maintained.

It has been observed that during the second half of 2016, which has continued into 2017, there was a significant drop of market prices for concrete. Coupled with shrinking of civil projects sector, the operators in the concrete industry have to face a very challenging time in 2017. However, with commencement of operation of asphalt facilities at Lam Tei Quarry in 2017, negative impact on the overall performance of the construction materials division will be alleviated. In order to face the challenges, the Group would continue implementing cost control measures to strengthen our competitiveness.

The performance of the property funds in 2016 is in line with budget and is anticipated to have some return in 2017. 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, 2016.

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, 2016.

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, 2016, 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 The Garden Room (Orchid-Jasmine Rooms), 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 18th May, 2017 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 2016 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, 13th March, 2017

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, two non-executive directors, namely Mr. Tsang Yam Pui and Mr. Brian Cheng Chi Ming, and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.