

**YAT SING HOLDINGS LIMITED**

**日成控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 3708

**Interim Report**

**2016**



CONTENTS	PAGES
CORPORATE INFORMATION	2
MANAGEMENT DISCUSSION AND ANALYSIS	3
OTHER INFORMATION	7
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	10
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	15
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	16

## **CORPORATE INFORMATION**

### **Executive Directors**

Mr. Dai Jian (Chairman) (appointed on 14 January 2017)  
Mr. Dai Jialong (appointed on 14 January 2017)

### **Independent Non-Executive Directors**

Mr. Chan Foon (appointed on 14 January 2017)  
Mr. Guo Biao  
Ms. Song Dan

### **Audit Committee**

Mr. Chan Foon (Chairman) (appointed on 14 January 2017)  
Mr. Guo Biao  
Ms. Song Dan

### **Nomination Committee**

Mr. Dai Jian (Chairman) (appointed on 14 January 2017)  
Mr. Chan Foon (appointed on 14 January 2017)  
Mr. Guo Biao

### **Remuneration Committee**

Mr. Guo Biao (Chairman)  
Mr. Chan Foon (appointed on 14 January 2017)  
Ms. Song Dan

### **Company Secretary**

Mr. Fung Nam Shan

### **Authorised Representatives**

Mr. Dai Jian (appointed on 14 January 2017)  
Mr. Fung Nam Shan

### **Independent Auditors**

SHINEWING (HK) CPA Limited

### **Legal Adviser**

As to Hong Kong Law  
P. C. Woo & Co  
Loong & Yeung

### **Registered Office In The Cayman Islands**

Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### **Headquarter and Principal Place of Business in Hong Kong Registered Under Part 16 of the Companies Ordinance**

Room 1402, 14/F  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

### **Principal Share Registrar and Transfer Office in the Cayman Islands**

Estera Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

### **Branch Share Registrar and Transfer Office in Hong Kong**

Union Registrars Limited  
Suites 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

### **Principal Bankers**

Bank of China (Hong Kong) Limited  
Kowloon West Commercial Centre

China Construction Bank (Asia) Corporation Limited  
Tsim Sha Tsui Commercial Banking Office

China CITIC Bank International Limited  
Des Voeux Road Central Branch

### **Company Website**

[www.yat-sing.com.hk](http://www.yat-sing.com.hk)

### **Stock Code**

03708

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Yat Sing Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as a whole is a building maintenance and renovation service provider in Hong Kong. All revenue for the six month ended 31 December 2016 (the “Period”) was derived from building maintenance and renovation services.

Revenue for the Period was approximately HK\$256.6 million, representing an increase of approximately HK\$38.7 million or 17.8% when compared to the same period last year of approximately HK\$217.9 million mainly contributed by the increase in revenue from the project for the conversion of usage of an industrial building during the Period.

#### **Building maintenance services**

As at 31 December 2016, we had 6 building maintenance contracts on hand (including contracts in progress and contracts which are yet to commence) with an aggregate notional or estimated contract value of approximately HK\$991.2 million. As at 30 June 2016, we had 6 building maintenance contracts on hand with an aggregate notional or estimated contract value of approximately HK\$1,072.3 million.

#### **Renovation services**

As at 31 December 2016, we had 10 renovation contracts on hand (including contracts in progress and contracts which are yet to commence) with an aggregate notional or estimated contract value of approximately HK\$378.0 million. As at 30 June 2016, we had 6 renovation contracts on hand with an aggregate notional or estimated contract value of approximately HK\$362.7 million.

### **RECENT DEVELOPMENT**

#### **Building maintenance services**

During the Period, we have been successfully awarded 1 contract with a notional or estimated contract value of approximately HK\$27.0 million, which commenced during the reporting period.

#### **Renovation services**

During the Period, we have been successfully awarded 6 contracts with an aggregate notional or estimated contract value of approximately HK\$55.7 million. All of the newly awarded contracts commenced during the reporting period.

### **FUTURE DEVELOPMENT**

We will keep focusing on identifying opportunities for building maintenance projects, especially in the public sector, which is our core business. For renovation projects, with the growth in consciousness of building refurbishment in Hong Kong, we are confident in attaining new projects from the private sector.

### **FINANCIAL REVIEW**

#### **Revenue**

Revenue derived from building maintenance services decreased by approximately HK\$9.2 million or 5.5% from approximately HK\$166.7 million for the same period in 2015 to approximately HK\$157.5 million during the reporting period. The decrease in revenue was mainly caused by the completion of the project for the maintenance of a residential mall during the reporting period.

Revenue derived from renovation services showed an increase of approximately HK\$47.9 million or 93.7% from approximately HK\$51.1 million in the same period in 2015 to approximately HK\$99.1 million during the reporting period. The increase in revenue was mainly caused by the increase in revenue from the project for the conversion of usage of an industrial building during the reporting period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Gross profit**

During the Period, the Group's gross profit amounted to approximately HK\$18.3 million (2015: HK\$21.0 million) representing a decrease of approximately HK\$2.7 million or 12.9%. Gross profit margin for the Period was approximately 7.1% (2015: 9.6%). The decrease in gross profit margin was caused by the decrease in the proportion of the revenue of building maintenance services, which usually has a higher gross margin compared to renovation services, during the Period.

Gross profit attributable to building maintenance services for the Period amounted to approximately HK\$15.5 million (2015: HK\$19.0 million), representing a decrease of approximately HK\$3.5 million or 18.4%. The decrease was due to the completion of the project for the maintenance of a residential mall during the Period. The Group's gross profit margin for building maintenance services for the reporting period was approximately 9.8% (2015: 11.4%), which was caused by the completion of those projects with higher margin as mentioned above.

Gross profit attributable to renovation services for the reporting period amounted to approximately HK\$2.8 million (2015: HK\$1.7 million), representing an increase of approximately HK\$1.1 million or 61.9%. The increase was consistent with the increase in revenue from the project for the conversion of usage of an industrial building during the Period. Gross profit margin from renovation services during the reporting period was approximately 2.9%, which was lower than the same period in 2015 of approximately 3.3%. The decrease in gross profit margin was attributable to the increase in the proportion of revenue for the project for the conversion of usage of an industrial building in renovation segment, which has gross profit margin lower than average.

### **Other income**

During the Period, other income mainly comprised the net income from the sales of construction material amounted to HK\$1.0 million and interest income amounted to approximately HK\$0.02 million. For the same period in 2015, other income included interest income amounted to approximately HK\$0.3 million.

### **Administrative expenses**

Administrative expenses increased by approximately HK\$7.0 million or 64.3% from approximately HK\$10.9 million for the same period in 2015 to approximately HK\$17.9 million for the reporting period. The increase was caused by the significant increase in the operating costs of the Company, including the professional and other related fees for the preparation of the composite documents of the Company dated 23 December 2016.

### **Finance costs**

Finance costs decreased by approximately HK\$0.2 million or 91.1% from approximately HK\$0.3 million for the same period in 2015 to approximately HK\$0.02 million for the reporting period. The decrease was mainly due to the decrease in the Group's obligations under financial leases.

### **Income tax expense**

The effective tax rates were approximately 107.3% and 18.5% for the Period and the same period in 2015, respectively. The effective tax rate for the Period was significantly higher than the statutory profits tax rate of 16.5%. It was mainly due to more losses generated from the Company, which is not subject to any income tax.

### **(Loss)/profit for the period**

The Group recorded loss for the Period of approximately HK\$0.1 million, while the Group recorded profit of approximately HK\$8.2 million for the same period in 2015 due to significant increase in the operations costs of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Liquidity, financial resources and capital structure**

The Group generally finances its operation through cash from operations and finance leases. As at 31 December 2016, the Group had total cash and bank balances of approximately HK\$44.1 million (30 June 2016: HK\$52.4 million). As at 31 December 2016, the Group had finance leases approximately HK\$1.6 million (30 June 2016: HK\$1.9 million). All the cash and bank balances and finance leases are denominated in Hong Kong dollar.

As at 31 December 2016, the share capital and equity attributable to owners of the Company amounted to approximately HK\$11.2 million and HK\$170.1 million respectively (30 June 2016: HK\$11.2 million and HK\$170.2 million respectively).

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

### **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 reporting period.

### **Gearing ratio**

Gearing ratio is calculated based on the total debts divided by the total equity. The gearing ratio was approximately 2.2% and 3.7% as at 31 December 2016 and 30 June 2016, respectively. The decrease in gearing ratio is due to decrease in obligations under finance leases proportionately more than the decrease in equity during the reporting period.

### **Charge over assets of the Group**

As at 31 December 2016, the Group had motor vehicles amounted to HK\$3.1 million held under finance lease (30 June 2016: 2.8 million).

### **Significant investments, acquisitions and disposals**

The Group did not enter into any new significant investment during the six months ended 31 December 2016. The Group did not make any material acquisition and disposal of subsidiaries, associates or joint ventures for the Period.

### **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 of the Company (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 31 December 2016 (30 June 2016: nil).

### **Employees and remuneration policies**

As at 31 December 2016, the Group had approximately 128 employees (30 June 2016: 143). Our staff related costs included salaries, wages and other staff benefits, contributions to retirement schemes, provisions for staff long service payment and untaken paid leave.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Events after reporting period**

On 3 February 2017, a wholly owned subsidiary of the Company (the “Purchaser”) entered into a letter of intent with three independent third parties, pursuant to which, the Purchaser proposed to acquire, in aggregate, 51%, equity interest in Jiangyin Grabere Graphene Photocatalytic Technology Co., Ltd.\* 江陰嘉潤石墨烯光催化技術有限公司. Details of the letter of intent are set out in the announcement dated 3 February 2017.

### **Interim dividend**

The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 31 December 2016 (2015: nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2016, the interests and short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO (including interest or short positions which they had taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules were as follows:

#### Long position in the shares

Name of Director	Capacity/nature	Number of shares held/interested	Percentage of interest (approx.)
Mr. Lai Aizhong	Interest of a controlled corporation (Note)	8,240,000	0.74%

These shares are held by Shenzhen Bosum Asset Management Limited ("Shenzhen Bosum"). Shenzhen Bosum is owned as to 51% by Mr. Lai Auzhong and hence Mr. Lai Aizhong is deemed to be interested in the 8,240,000 shares held by Shenzhen Bosum under the SFO. Mr. Lai Aizhong resigned as a Director with effect from 14 January 2017.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) have interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO, to be entered in the register of the Company referred to therein:

Name	Capacity/nature	Number of shares held/interested	Percentage of interest (approx.)
Smart Paradise International Limited (Note)	Beneficial owner	599,100,000	53.55%
Mr. Dai Jian	Interest in controlled corporation	599,100,000	53.55%
Ms. Zhao Lai (Note)	Interest of spouse (Note)	599,100,000	53.55%
Mr. Chen Weizhong	Beneficial owner	111,310,000	9.95%
Mr. Chen Qiongsan	Beneficial owner	102,595,000	9.17%

Note: Mr. Dai Jian is the sole beneficial owner and director of Smart Paradise International Limited. Ms. Zhao Li is the spouse of Mr. Dai Jian and is deemed to be interested in the 599,100,000 shares in which Mr. Dai Jian has interests by virtue of the SFO.

### SHARE OPTION SCHEME

Pursuant to the written resolutions of the sole shareholder of the Company on 18 December 2014, the Company adopted a share option scheme (the "Scheme") to attract and retain high quality staff, to provide additional incentive to employees (full-time or part-time), directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The total number of shares of the Company in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the shareholders. The number of shares of the Company issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the shareholders of the Company. Options granted to substantial shareholders or independent non-executive Directors or any of their respective close associates (including a discretionary trust whose discretionary objects include a substantial shareholders, independent non-executive Directors, or any of their respective close associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the shareholders of the Company.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK\$1 per option. Options may be exercised at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant. The exercise price is determined by the Directors, and will be at least the higher of (i) the closing price of the shares of the Company on the date of grant, (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share of the Company.

The Scheme will remain in force for a period of ten years commencing on the date of the adoption date (i.e. 18 December 2014) and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

No share options were granted since the adoption of the Scheme and there are no outstanding share options at the end of each reporting period.

## **OTHER INFORMATION**

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

### **CORPORATE GOVERNANCE CODE**

The Company has a policy of seeking to comply with established best practice in corporate governance. The Board believes that good corporate governance is crucial to improving the efficiency and performance of the Group and to safeguarding the interests of its shareholders.

The Company has adopted and complied with all code provisions as set out under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the Period.

### **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all the Directors have confirmed that they had complied with the required standard set out in the Model Code during the Period.

### **AUDIT COMMITTEE**

The Company has an audit committee (the "Audit Committee") established in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. The responsibilities of the Audit Committee include reviewing financial statements, monitoring the appointment of and non-audit work undertaken by external auditors and reviewing the effectiveness of the internal controls of the Group. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Foon (chairman of the Audit Committee), Mr. Guo Biao and Ms. Song Dan. The interim financial results of the Group for the Period are unaudited but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

The results for the current interim period have been reviewed by our auditor, SHINEWING (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION**

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Director subsequent to the date of the Annual Report 2016 is set out below.

On 17 November 2016, Mr. Guo Biao obtained a Master of Business Administration from the Chinese University of Hong Kong.

By order of the Board

**Dai Jian**  
Chairman

Hong Kong, 27 February 2017

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



SHINEWING (HK) CPA Limited  
43/F., Lee Garden One  
33 Hysan Avenue  
Causeway Bay, Hong Kong

### TO THE BOARD OF DIRECTORS OF YAT SING HOLDINGS LIMITED

日成控股有限公司

(incorporated in the Cayman Islands with limited liability)

#### Introduction

We have reviewed the condensed financial statements of Yat Sing Holdings Limited (the "Company") and its subsidiaries set out on pages 11 to 24, which comprise the condensed consolidated statement of financial position as of 31 December 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

#### SHINEWING (HK) CPA Limited

Certified Public Accountants

**Wong Hon Kei, Anthony**

Practising Certificate Number: P05591

Hong Kong

27 February 2017

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2016

	Notes	Six months ended 31 December	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	3	<b>256,589</b>	217,850
Cost of services		<b>(238,287)</b>	(196,897)
Gross profit		<b>18,302</b>	20,953
Other income		<b>1,117</b>	267
Gain on fair value change on held-for-trading investments		<b>44</b>	–
Administrative expenses		<b>(17,939)</b>	(10,919)
Finance costs	4	<b>(23)</b>	(257)
Profit before taxation		<b>1,501</b>	10,044
Income tax expense	5	<b>(1,610)</b>	(1,859)
(Loss) profit and total comprehensive (expense) income for the period	6	<b>(109)</b>	8,185
(Loss) profit and total comprehensive (expense) income for the period attributable to:			
Owners of the Company		<b>(141)</b>	8,144
Non-controlling interests		<b>32</b>	41
		<b>(109)</b>	8,185
(Loss) earnings per share (HK cents)			
Basic and diluted	8	<b>(0.01)</b>	0.73

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	31 December 2016 HK\$'000 (Unaudited)	30 June 2016 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	5,226	5,100
Available-for-sale investments		1,974	1,974
Rental deposit		952	780
		<b>8,152</b>	7,854
<b>Current assets</b>			
Held-for-trading investments		3,925	3,881
Amounts due from customers for contract work		–	–
Trade and other receivables	10	219,310	218,213
Bank balances and cash		44,071	52,396
		<b>267,306</b>	274,490
<b>Current liabilities</b>			
Trade and other payables	11	100,606	104,689
Obligations under finance leases – due within one year		1,206	1,408
Tax payable		1,814	4,184
		<b>103,626</b>	110,281
Net current assets		<b>163,680</b>	164,209
Total assets less current liabilities		<b>171,832</b>	172,063
<b>Non-current liabilities</b>			
Other payables		84	125
Obligations under finance leases – due after one year		396	477
Long service payment obligations		326	326
Deferred tax liabilities		415	415
		<b>1,221</b>	1,343
Net assets		<b>170,611</b>	170,720

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2016

		<b>31 December 2016 HK\$'000 (Unaudited)</b>	30 June 2016 HK\$'000 (Audited)
	Note		
<b>Capital and reserves</b>			
Share capital	12	<b>11,189</b>	11,189
Reserves		<b>158,899</b>	159,040
<hr/>			
Equity attributable to:			
Owners of the Company		<b>170,088</b>	170,229
Non-controlling interests		<b>523</b>	491
<hr/>			
Total equity		<b>170,611</b>	170,720
<hr/>			

The condensed consolidated financial statements on pages 11 to 24 were approved and authorised for issue by the board of directors on 27 February 2017 and are signed on its behalf by:

**Dai Jian**  
Director

**Dai Jialong**  
Director

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2016

	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Retained profits HK\$'000	Total HK\$'000		
At 1 July 2015 (audited)	11,189	77,790	(480)	70,149	158,648	417	159,065
Profit and total comprehensive income for the period	-	-	-	8,144	8,144	41	8,185
At 31 December 2015 (unaudited)	11,189	77,790	(480)	78,293	166,792	458	167,250
At 1 July 2016 (audited)	11,189	77,790	(480)	81,730	170,229	491	170,720
(Loss) profit and total comprehensive (expense) income for the period	-	-	-	(141)	(141)	32	(109)
At 31 December 2016 (unaudited)	11,189	77,790	(480)	81,589	170,088	523	170,611

Note: Other reserve represented the difference between the nominal value of the issued share capital of Sing Fat Construction Co., Limited and ABO Group Limited ("ABO") in aggregate amount of approximately HK\$9,310,000 over nominal value of the share capital of the Company in amount of HK\$9,790,000 issued in exchange thereof, pursuant to the group reorganisation.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2016

	Six months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	<b>(7,472)</b>	7,929
NET CASH FROM INVESTING ACTIVITIES	<b>2</b>	838
FINANCING ACTIVITIES		
Repayments of bank borrowings	-	(4,216)
New bank borrowings raised	-	30,000
Other financing cash flows	<b>(855)</b>	(1,065)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	<b>(855)</b>	24,719
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<b>(8,325)</b>	33,486
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<b>52,396</b>	98,901
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<b>44,071</b>	132,387

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2016

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements of Yat Sing Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2016 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2016, except as described below.

In the current period, the Group has applied, for the first time, the following new amendments (“new HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 July 2016.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	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 HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations

The application of the new and revised HKFRSs in the current period 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 these condensed consolidated financial statements.

The Group has not early applied any new or revised HKFRSs that have been issued but not yet effective for the current period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 3. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the Directors, 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.

#### (a) Segment revenue and results

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

For the six months ended 31 December 2016

	Building maintenance HK\$'000 (Unaudited)	Renovation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	157,509	99,080	256,589
Segment profit	15,476	2,826	18,302
Unallocated corporate income			1,117
Gain on fair value change on held-for-trading investments			44
Central administration costs			(17,939)
Finance costs			(23)
Profit before taxation			1,501

For the six months ended 31 December 2015

	Building maintenance HK\$'000 (Unaudited)	Renovation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	166,706	51,144	217,850
Segment profit	19,029	1,746	20,775
Unallocated corporate income			267
Central administration costs			(10,741)
Finance costs			(257)
Profit before taxation			10,044

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 3. SEGMENT INFORMATION (CONTINUED)

#### (a) Segment revenue and results (Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of certain unallocated corporate income, gain 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 purpose of resource allocation and performance assessment.

There were no inter-segment sales between different business segments for the periods ended 31 December 2016 and 2015.

#### (b) Segment assets and liabilities

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

	<b>31 December 2016 HK\$'000 (Unaudited)</b>	30 June 2016 HK\$'000 (Audited)
<b>Segment assets</b>		
Building maintenance	<b>89,940</b>	110,742
Renovation	<b>92,950</b>	106,492
Total segment assets	<b>182,890</b>	217,234
Unallocated corporate assets	<b>92,568</b>	65,110
Total assets	<b>275,458</b>	282,344
<b>Segment liabilities</b>		
Building maintenance	<b>50,504</b>	56,983
Renovation	<b>34,803</b>	43,744
Total segment liabilities	<b>85,307</b>	100,727
Unallocated corporate liabilities	<b>19,540</b>	10,897
Total liabilities	<b>104,847</b>	111,624

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 4. FINANCE COSTS

	Six months ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
– Bank borrowings	–	220
– Obligations under finance leases	23	37
	<b>23</b>	257

### 5. INCOME TAX EXPENSE

	Six months ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong		
Provision for the period	1,610	1,859

### 6. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging (crediting):

	Six months ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	(15)	(252)
Other income (Note)	(1,102)	(15)
Depreciation of property, plant and equipment	436	477
Loss on disposal of property, plant and equipment	–	178
Minimum lease payments paid under operating leases	2,169	601

Note: During the Period, other income of HK\$1,000,000 (2015: nil) represented the net income from the sales of construction materials of HK\$35,000,000 (included in other receivables) net of cost of goods sold of HK\$34,000,000.

### 7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2015: nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 8. (LOSS) EARNINGS PER SHARE

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

	Six months ended 31 December	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(Loss) earnings</b>		
(Loss) earnings for the purpose of basic (loss) earnings per share	<b>(141)</b>	8,144
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<b>1,118,800</b>	1,118,800

The diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares during the periods ended 31 December 2016 and 2015.

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2016, the Group acquired motor vehicles amounting to approximately HK\$562,000 (six months ended 31 December 2015: HK\$2,142,000). Motor vehicles with a net carrying value of approximately HK\$852,000 were disposed of by the Group during the six months ended 31 December 2015 (six months ended 31 December 2016: nil) for cash proceeds of HK\$675,000 (six months ended 31 December 2016: nil). As at 31 December 2016, the carrying value of motor vehicle includes an amount of HK\$3,110,000 (30 June 2016: HK\$2,763,000) in respect of assets held under finance leases.

### 10. TRADE AND OTHER RECEIVABLES

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

	<b>31 December 2016 HK\$'000 (Unaudited)</b>	30 June 2016 HK\$'000 (Audited)
Within 90 days	65,168	116,700
91 to 180 days	6,377	17,190
181 to 365 days	45,001	9,331
1 to 2 years	37,032	34,684
Over 2 years	6,643	10,434
	<b>160,221</b>	<b>188,339</b>

### 11. 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:

	<b>31 December 2016 HK\$'000 (Unaudited)</b>	30 June 2016 HK\$'000 (Audited)
Within 90 days	13,470	37,223
91 to 180 days	13,963	10,776
181 to 365 days	17,267	5,310
1 to 2 years	26,498	31,499
Over 2 years	5,279	6,199
	<b>76,477</b>	<b>91,007</b>

### 12. SHARE CAPITAL

<b>Ordinary share of HK\$0.01 each</b>	<b>Number of Ordinary shares</b>	<b>Nominal value of ordinary shares HK\$'000</b>
Authorised: At 1 July 2015 (Audited), 31 December 2015 (Unaudited), 1 July 2016 (Audited) and 31 December 2016 (Unaudited)	2,000,000,000	20,000
Issued and fully paid: At 1 July 2015 (Audited), 31 December 2015 (Unaudited), 1 July 2016 (Audited) and 31 December 2016 (Unaudited)	1,118,800,000	11,189

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 13. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to the written resolution passed on 18 December 2014 to attract and retain high quality staff, to provide additional incentive to eligible participants and to promote the success of the business of the Group.

Eligible participants of the share option scheme include employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group.

No share options are granted since the adoption of the share option scheme and there are no outstanding share options as at 30 June 2016 and 31 December 2016.

### 14. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>31 December 2016 HK\$'000 (Unaudited)</b>	30 June 2016 HK\$'000 (Audited)
Within one year	<b>3,875</b>	3,761
In the second to fifth year inclusive	<b>3,311</b>	5,156
	<b>7,186</b>	8,917

Operating lease payments represents rentals payable by the Group for its office premises and a motor license. Leases are negotiated and rentals are fixed for a term ranging from 1 to 3 years (30 June 2016: 1 to 3 years).

### 15. CONTINGENT LIABILITIES

One subsidiary of the Group is 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 16. RELATED PARTY TRANSACTIONS

- (a) Except as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties:

Related party	Nature of transaction	Six months ended 31 December	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Chung Tat Construction Co., Limited	Subcontracting fee paid to a related party	193	–
Mega Billion Investment Limited ("Mega Billion") (Note)	Rental of office from a related party	492	450

The above companies are companies of which certain former directors of the Company, who resigned on 14 January 2017, are beneficial shareholders and/or directors.

Note: The monthly rental was determined with reference to market value.

- (b) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the period were as follows:

	Six months ended 31 December	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Short-term benefits	4,733	4,022
Post-employment benefits	54	50
	<b>4,787</b>	4,072

### 17. MAJOR NON-CASH TRANSACTIONS

During the six months ended 31 December 2016, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of approximately HK\$549,000 (six months ended 31 December 2015: HK\$2,013,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 31 December 2016

### 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

When measuring fair value for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Some of the Group's financial assets are measured at fair value at the end of each reporting period for recurring measurement. The following table gives information about how the fair values are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	Fair value hierarchy	Valuation techniques and key inputs	Fair value as at	
			31 December 2016 HK\$'000 (Unaudited)	30 June 2016 HK\$'000 (Audited)
Hold-for-trading investments	Level 1	Quoted bid prices in an active market	3,925	3,881

There was no transfer among Level 1, 2 and 3 during the six months ended 31 December 2016 and 2015.

The Directors consider that the carrying amounts of current portion of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements not materially differ from their fair values due to their immediate or short-term maturities. The fair value of non-current portion of finance lease approximates its carrying amount, as it is carried at amortised cost using effective method. The Directors consider that the carrying amount of the non-current financial asset and financial liability approximates its fair value as the impact of discounting is immaterial.

### 19. EVENTS AFTER THE REPORTING PERIOD

On 3 February 2017, a wholly-owned subsidiary of the Company entered into a letter of intent with three independent third parties, pursuant to which, proposed to acquire, in aggregate, 51% equity interest in Jiangyin Grabere Graphene Photocatalytic Technology Co., Ltd.. For details, please refer to the announcement of the Company dated 3 February 2017.