WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2017

Financial Performance Highlights

Revenue	**HK$6,500 million**
Profit attributable to owners of the Company	**HK$912 million**
Basic earnings per share	**HK115.05 cents**
Final dividend per share	**HK22.5 cents**
Equity attributable to owners of the Company per share	**HK$8.90**

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, 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*2*	**6,500,117**	5,327,112
Cost of sales		**(5,864,366)**	(4,754,397)
Gross profit		**635,751**	572,715
Other income	*4*	**60,619**	87,581
Investment income, gains and losses	*5*	**23,287**	(207)
Selling and distribution costs		**(90,998)**	(81,707)
Administrative expenses		**(355,631)**	(342,535)
Finance costs	*6*	**(67,505)**	(68,600)
Share of results of associates		**833,456**	516,463
Share of results of joint ventures		**9,968**	7,512
Other gains and losses	*7*	**15,390**	72,764
Profit before tax	*8*	**1,064,337**	763,986
Income tax expense	*9*	**(70,048)**	(29,573)
Profit for the year		**994,289**	734,413
Profit for the year attributable to:			
Owners of the Company		**912,462**	669,320
Non-controlling interests		**81,827**	65,093
		994,289	734,413
		HK cents	*HK cents*
Earnings per share	*11*		
– Basic		**115.05**	84.39
– Diluted		**114.90**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2017

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**994,289**	734,413
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**9,602**	(7,362)
Share of translation reserves of associates	**355,564**	(309,736)
Other comprehensive income (expense) for the year	**365,166**	(317,098)
Total comprehensive income for the year	**1,359,455**	417,315
Total comprehensive income for the year attributable to:		
Owners of the Company	**1,273,192**	355,467
Non-controlling interests	**86,263**	61,848
	1,359,455	417,315

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment		**544,633**	558,789
Intangible assets		**510,864**	580,244
Goodwill		**29,838**	29,838
Interests in associates		**6,556,960**	5,569,562
Interests in joint ventures		**229,113**	58,518
Available-for-sale investments		**63,112**	109,215
Other financial asset		**42,909**	41,128
Loan and other receivables		**-**	108,258
Deposits paid for acquisition of property, plant and equipment		**1,619**	1,320
		7,979,048	7,056,872
Current assets			
Inventories		**56,886**	63,002
Amounts due from customers for contract work		**253,443**	324,351
Debtors, deposits and prepayments	*12*	**1,924,917**	1,463,404
Amounts due from associates		**14,168**	12,786
Amount due from a joint venture		**-**	321
Amounts due from other partners of joint operations		**134,934**	39,643
Tax recoverable		**11,950**	17,078
Held-for-trading investments		**46,391**	25,562
Pledged bank deposits		**37**	101
Bank balances and cash		**1,305,972**	986,452
		3,748,698	2,932,700
Current liabilities			
Amounts due to customers for contract work		**410,053**	637,795
Creditors and accrued charges	*13*	**2,284,541**	1,588,586
Amounts due to associates		**16,842**	16,400
Amount due to a joint venture		**1,142**	1,142
Amounts due to other partners of joint operations		**61,710**	70,795
Amounts due to non-controlling shareholders		**3,359**	3,359
Tax liabilities		**61,301**	22,648
Bank loans		**389,721**	301,011
		3,228,669	2,641,736
Net current assets		**520,029**	290,964
Total assets less current liabilities		**8,499,077**	7,347,836

	2017	2016
	HK$'000	*HK$'000*
Non-current liabilities		
Payable for extraction right	**335,294**	386,495
Provision for rehabilitation costs	**29,980**	28,202
Deferred tax liabilities	**5,750**	5,750
Obligations in excess of interests in associates	**17,246**	16,208
Amount due to an associate	**3,701**	4,238
Bank loans	**504,350**	483,250
Bonds	**219,350**	206,580
	1,115,671	1,130,723
Net assets	**7,383,406**	6,217,113
Capital and reserves		
Share capital	**79,312**	79,312
Share premium and reserves	**6,983,417**	5,873,007
Equity attributable to owners of the Company	**7,062,729**	5,952,319
Non-controlling interests	**320,677**	264,794
Total equity	**7,383,406**	6,217,113

Notes:

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

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

Except as described below, 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.

Amendments to HKAS 7 "Disclosure Initiative"

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Apart from the additional disclosure, the application of these amendments has had no effect on the Group's consolidated financial statements.

New and amendments to HKFRSs that have been issued but are not yet effective

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[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts [3]
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1st January, 2018.
[2] Effective for annual periods beginning on or after 1st January, 2019.
[3] Effective for annual periods beginning on or after 1st January, 2021.
[4] Effective for annual periods beginning on or after a date to be determined.

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 ("FVTOCI"). All other financial assets are measured at their fair values at 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; and

- 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 "Financial Instruments: Recognition and Measurement". 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, 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

Classification and measurement

- Debt instruments classified as loan receivables carried at amortised cost: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9; and

- Equity securities classified as available-for-sale investments carried at cost less impairment: these securities qualified for designation as measured at FVTOCI under HKFRS 9. However, the Group plans not to elect the option for designating these securities to be measured at FVTOCI and will measure these securities at fair value with subsequent fair value gains or losses to be recognised in profit or loss. Upon initial application of HKFRS 9, fair value gains or losses related to these securities, representing the differences between the cost less impairment and fair value would be adjusted to retained profits at 1st January, 2018.

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost and other items that are subject to the impairment provisions upon application of HKFRS 9 by the Group.

If the expected credit loss model were to be applied by the Group, the accumulated impairment loss to be recognised by the Group at 1st January, 2018 would be slightly increased as compared to the accumulated impairment loss recognised under HKAS 39 mainly attributable to expected credit losses provision on financial assets. The increase in impairment loss to be recognised under the expected credit loss model would reduce the opening retained profits at 1st January, 2018.

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 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.

As regards the construction contracts, the directors specifically consider HKFRS 15's guidance on contract combinations, contract modifications arising from variation orders, variable consideration, and the assessment of whether there is significant financing component in the contracts, particularly taking into account the reason for the difference in timing between the transfer of control of goods and services to customers and timing of related payments. The directors have assessed that performance obligation is satisfied over time, therefore revenue from these construction contracts should be recognised over time during the course of construction by the Group. Furthermore, the directors consider that the output method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under HKFRS 15. However, the directors are assessing whether the current accounting policy adopted by the Group in recognising the construction costs charged to profit or loss by reference to the stage of completion of the contract activity at the end of the reporting period is different from the recognition of construction costs in profit or loss based on the actual construction costs incurred under HKFRS 15's guidance and the potential financial impact.

The directors intend to use the limited retrospective method of transition to HKFRS 15. Apart from the recognition of construction costs as explained in above and providing more extensive disclosure on the Group's revenue transactions, the directors do not anticipate that the application of HKFRS 15 will have material effect on the Group's financial performance and position.

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. Upon application of 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 cash flows by the Group.

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, 2017, the Group, as lessee, has non-cancellable operating lease commitments of HK$117,985,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as explained in above.

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

	2017	2016
	HK$'000	*HK$'000*
Revenue analysed by revenue from:		
Construction	**5,939,251**	4,830,843
Construction materials	**524,576**	456,848
Quarrying	**36,290**	39,421
	6,500,117	5,327,112

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. No operating segments have been aggregated in arriving at the reportable segments of the Group. 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
- production, sale and laying of asphalt

Quarrying
- production and sale of quarry products

Property development and investment, toll road, investment and asset management
- 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, 2017

	Segment revenue			
	Gross	**Inter-segment elimination**	**External**	**Segment profit (loss)**
	HK\$'000	***HK\$'000***	***HK\$'000***	***HK\$'000***
Construction	**5,986,382**	**(47,131)**	**5,939,251**	**100,026**
Construction materials	**664,286**	**(139,710)**	**524,576**	**4,315**
Quarrying	**181,286**	**(144,996)**	**36,290**	**(12,182)**
Property development and investment, toll road, investment and asset management	**-**	**-**	**-**	**804,592**
Total	**6,831,954**	**(331,837)**	**6,500,117**	**896,751**

Year ended 31st December, 2016

	Segment revenue			
	Gross	Inter-segment elimination	External	Segment profit (loss)
	HK\$'000	*HK\$'000*	*HK\$'000*	*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)
Property development and investment, toll road, investment and asset management	-	-	-	510,636
Total	5,672,300	(345,188)	5,327,112	601,240

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 which are attributable to reportable and operating segments, but excluding corporate income and expenses (including staff costs, other administrative expenses and finance costs), share of results of associates, share of results of joint ventures, discount on acquisition of additional interest in an associate and loss on deemed disposal of partial interest in an associate 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

	2017	2016
	HK$'000	*HK$'000*
Total segment profit	**896,751**	601,240
Unallocated items		
Other income	**28,497**	42,113
Investment income, gains and losses	**222**	(12)
Administrative expenses	**(36,482)**	(26,898)
Finance costs	**(22,050)**	(24,626)
Share of results of associates	**29,139**	5,099
Share of results of joint ventures	**1,669**	-
Discount on acquisition of additional interest in an associate	**49,084**	72,404
Loss on deemed disposal of partial interest in an associate	**(34,368)**	-
Profit attributable to owners of the Company	**912,462**	669,320

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, 2017

	Construction	**Construction materials**	**Quarrying**	**Property development and investment, toll road, investment and asset management**	**Segment total**	**Unallocated**	**Intra-group elimination**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Depreciation of property, plant and equipment	**(9,496)**	**(35,178)**	**(558)**	**-**	**(45,232)**	**(1,239)**	**-**	**(46,471)**
Allowance for doubtful debts reversed	**-**	**2,656**	**-**	**-**	**2,656**	**-**	**-**	**2,656**
Gain on disposal of property, plant and equipment, net	**1**	**4**	**669**	**-**	**674**	**-**	**-**	**674**
Interest income	**3,005**	**1**	**268**	**-**	**3,274**	**23,675**	**(17,870)**	**9,079**
Finance costs	**(18,950)**	**(30,360)**	**(14,015)**	**-**	**(63,325)**	**(22,050)**	**17,870**	**(67,505)**
Share of results of associates	**519**	**-**	**(794)**	**804,592**	**804,317**	**29,139**	**-**	**833,456**
Share of results of joint ventures	**8,299**	**-**	**-**	**-**	**8,299**	**1,669**	**-**	**9,968**
Income tax expense	**(70,048)**	**-**	**-**	**-**	**(70,048)**	**-**	**-**	**(70,048)**

Year ended 31st December, 2016

	Construction *HK$'000*	Construction materials *HK$'000*	Quarrying *HK$'000*	Property development and investment, toll road, investment and asset management *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Intra-group elimination *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	(26,125)	(26,513)	(1,746)	-	(54,384)	(1,035)	-	(55,419)
Allowance for doubtful debts recognised	-	(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)

Geographical information

The Group's operations are mainly located in Hong Kong (country of domicile) and other regions in the People's Republic of China (the "PRC").

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)*	
	2017 ***HK$'000***	2016 *HK$'000*	**2017** ***HK$'000***	2016 *HK$'000*
Hong Kong	**6,478,796**	5,307,209	**7,590,353**	6,598,138
The PRC	**21,321**	19,903	**89,643**	78,537
Others	**-**	-	**193,031**	121,596
	6,500,117	5,327,112	**7,873,027**	6,798,271

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 (2016: two) customers of the construction segment located in Hong Kong individually contributing over 10% of the Group's revenue.

	2017 ***HK$'000***	2016 *HK$'000*
Customer A	**2,169,747**	2,147,184
Customer B	**1,601,714**	1,706,405
	3,771,461	3,853,589

4. Other Income

	2017	2016
	HK$'000	*HK$'000*
Other income includes:		
Interest on loan and other receivables	**6,141**	26,570
Interest on bank deposits	**1,504**	251
Interest on amounts due from associates	**285**	215
Interest on other financial asset	**1,149**	1,111
Imputed interest on loan and other receivables	**-**	99
Government subsidy	**310**	188
Operation fee income	**26,470**	31,115
PRC Value-Added Tax refund	**1,901**	1,873
Rental income from land and buildings	**1,273**	397
Rental income from plant and machinery	**2,630**	1,315
Service income from associates	**120**	120

5. Investment Income, Gains and Losses

	2017	2016
	HK$'000	*HK$'000*
Gain (loss) on change in fair value of held-for-trading investments, net	**20,829**	(1,868)
Dividend income from held-for-trading investments	**2,458**	1,661
	23,287	(207)

6. Finance Costs

	2017	2016
	HK$'000	*HK$'000*
Interest on bank loans	**26,436**	25,961
Interest on bonds	**13,998**	12,036
Imputed interest on payable for extraction right	**24,342**	28,023
Imputed interest on provision for rehabilitation costs	**2,161**	2,043
Imputed interest on non-current interest-free amount due to an associate	**568**	537
	67,505	68,600

7. Other Gains and Losses

	2017	2016
	HK$'000	*HK$'000*
Discount on acquisition of additional interest in an associate	**49,084**	72,404
Loss on deemed disposal of partial interest in an associate	**(34,368)**	-
Gain on disposal of property, plant and equipment, net	**674**	360
	15,390	72,764

8. Profit Before Tax

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

	2017 *HK$'000*	2016 *HK$'000*
Auditor's remuneration		
Current year	**3,354**	3,163
Underprovision in prior year	**58**	420
	3,412	3,583
Allowance for doubtful debts (reversed) recognised	**(2,656)**	1,427
Amortisation of intangible assets	**71,679**	33,326
Less: Amount capitalised in inventories	**(70,220)**	(31,974)
	1,459	1,352
Depreciation of property, plant and equipment	**167,312**	74,275
Less: Amount attributable to construction contracts	**(113,336)**	(13,795)
Amount capitalised in inventories	**(7,505)**	(5,061)
	46,471	55,419
Exchange (gain) loss, net	**(1,203)**	1,369
Hire charges for plant and machinery	**144,747**	164,409
Less: Amount attributable to construction contracts	**(144,747)**	(164,409)
	-	-
Operating lease rentals in respect of land and buildings	**72,369**	66,715
Less: Amount attributable to construction contracts	**(17,274)**	(13,741)
	55,095	52,974
Share of income tax expense of associates (included in share of results of associates)	**1,227,986**	764,363
Staff costs	**1,078,796**	914,582
Less: Amount attributable to construction contracts	**(814,646)**	(675,694)
	264,150	238,888

9. Income Tax Expense

	2017	2016
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**60,197**	24,676
The PRC	**2,045**	1,644
	62,242	26,320
Underprovision in prior years		
Hong Kong	**7,564**	1,839
The PRC	**242**	1,414
	7,806	3,253
	70,048	29,573

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both 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:

	2017	2016
	HK$'000	*HK$'000*
2016 final dividend – HK16.5 cents per share (2016: 2015 final dividend – HK9.5 cents per share)	**130,865**	75,347
2017 interim dividend – HK3.8 cents per share (2016: 2016 interim dividend – HK3.3 cents per share)	**30,139**	26,173
	161,004	101,520

A final dividend for the year ended 31st December, 2017 of HK22.5 cents (2016: HK16.5 cents) per ordinary share amounting to HK$178,453.000 (2016: HK$130,865,000) 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:

	2017	2016
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**912,462**	669,320
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	**(1,124)**	-
Earnings for the purpose of diluted earnings per share	**911,338**	669,320

	2017	2016
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

	2017	2016
	HK$'000	*HK$'000*
Trade debtors	**1,274,731**	925,202
Less: Allowance for doubtful debts	**(1,930)**	(5,495)
	1,272,801	919,707
Bills receivables	**2,130**	11,013
Retention receivables	**454,921**	331,752
Other debtors	**105,094**	71,009
Deposits and prepayments	**89,971**	106,779
Loan and other receivables	**-**	23,144
	1,924,917	1,463,404

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:

	2017	2016
	HK$'000	*HK$'000*
Trade debtors		
0 to 60 days	**1,251,686**	898,596
61 to 90 days	**3,953**	2,780
Over 90 days	**17,162**	18,331
	1,272,801	919,707
Retention receivables		
Due within one year	**129,691**	61,618
Due after one year	**325,230**	270,134
	454,921	331,752

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, 2017, the Group's trade debtors and retention receivables included amounts of HK$24,940,000 (2016: HK$20,395,000) and HK$25,597,000 (2016: HK$14,566,000) respectively due from related companies which are subsidiaries of a substantial shareholder of the Company.

13. Creditors and Accrued Charges

	2017	2016
	HK$'000	*HK$'000*
Trade creditors (aged analysis based on the invoice date):		
0 to 60 days	**290,940**	202,181
61 to 90 days	**15,780**	20,353
Over 90 days	**40,588**	9,583
	347,308	232,117
Retention payables	**365,023**	306,376
Accrued project costs	**1,376,388**	835,951
Payable for extraction right	**72,960**	90,830
Other creditors and accrued charges	**122,862**	123,312
	2,284,541	1,588,586

Retention payables		
Due within one year	**124,257**	89,769
Due after one year	**240,766**	216,607
	365,023	306,376

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 HK22.5 cents (2016: HK16.5 cents) per ordinary share payable to shareholders whose names appear in the register of members of the Company on Tuesday, 29th May, 2018. This dividend together with the interim dividend of HK3.8 cents (2016: HK3.3 cents) per ordinary share paid during the year represent total dividend distributions of HK26.3 cents (2016: HK19.8 cents) per ordinary share for the year ended 31st December, 2017.

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, 6th July, 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 18th May, 2018, the register of members of the Company will be closed from Tuesday, 15th May, 2018 to Friday, 18th May, 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 14th May, 2018.

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 Tuesday, 29th May, 2018. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 28th May, 2018 to Tuesday, 29th May, 2018, 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 Friday, 25th May, 2018.

BUSINESS REVIEW

For the year ended 31st December, 2017, the Group's revenue was HK$6,500 million (2016: HK$5,327 million), generating an audited consolidated profit attributable to owners of the Company of HK$912 million (2016: HK$669 million), an increase of 36% as compared with that of 2016.

Property Development and Investment, Toll Road, Investment and Asset Management

For the year ended 31st December, 2017, the Group shared a profit of HK$805 million (2016: HK$511 million) from Road King Infrastructure Limited ("Road King"), an associate of the Group. As of the date of this announcement, the Group holds 41.53% interest in Road King.

During the year ended 31st December, 2017, the Group purchased 7,761,000 (2016: 6,469,000) 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$49 million (2016: HK$72 million) on acquisition of additional interest in Road King. On the other hand, Road King issued 8,200,000 (2016: nil) 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 an exercise price lower than the net assets value per share of Road King, the Group recorded an aggregate loss of HK$34 million (2016: nil) on deemed disposal of partial interest in Road King. As a result, the net effect of the aforesaid transactions increased the Group's interest in Road King by 0.59% (2016: 0.87%).

For the year ended 31st December, 2017, Road King recorded an audited profit attributable to its owners of HK$1,944 million (2016: HK$1,250 million), an increase of 56% as compared with that of 2016.

In 2017, Road King achieved remarkable results in property sales by adhering to its operating strategy of balancing turnover and profitability. The property sales (including joint venture projects) increased to RMB24,242 million, including the contracted sales of RMB22,914 million and outstanding subscribed sales of RMB1,328 million. Property sales of Road King for 2017 surged by about 30% as compared with 2016 and were mainly concentrated in Yangtze River Delta Region (representing about 65% of the total property sales).

For land reserve replenishment, Road King acquired 19 pieces of land for residential and commercial development purpose, through listing-for-sale and acquisition in 2017, with an aggregate floor area of about 2,420,000 sqm. Some of pieces of new land are joint venture projects. Road King believes that the cooperation with competent enterprises would enable Road King to invest in scalable projects, share higher returns and diversify the financial burden. At 31st December, 2017, Road King's land reserves increased to 8,330,000 sqm.

Road King will continue to research and develop market-oriented products to boost the sales so as to establish itself as a more widely recognized property developer. In addition, Road King will optimise the land reserve portfolio in Mainland China and Hong Kong in a cautious manner and seek for more development opportunities with business partners.

The total traffic volume and toll revenue of Road King's expressway projects reached 85 million vehicles and RMB2,661 million, respectively in 2017, representing an increase of 16% and 14%, respectively, comparing with that of 2016.

In 2017, Road King received cash distribution of HK$713 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 (net of income tax and withholding tax) increased from HK$383 million in 2016 to HK$506 million in 2017, mainly attributable to the significant growth in overall toll revenue. Both Tangjin Expressway and Baojin Expressway recorded a significant growth in traffic volume during the year. In addition, Longcheng Expressway and Machao Expressway recorded a strong growth in both traffic volume and toll revenue as they are close to the end of nurturing stage. The profit increased accordingly. The toll road business provides Road King with steady cash flows and is expected to maintain stable development.

Road King accelerated the expansion of the investment and asset management business in 2017, including property funds, cultural attractions, tourism and indoor entertainment businesses. Road King also acquired several property projects through the above businesses for property development. At 31st December, 2017, the investment and asset management segment's land reserve was approximately 1,760,000 sqm.

In 2017, the projects of investment and asset management segment (including joint venture projects) achieved property sales of RMB2,062 million, including the contracted sales of RMB1,688 million and outstanding subscribed sales of RMB374 million. Profit of the investment and asset management segment increased to HK$115 million.

Road King will continue to explore new property business models (including property funds and property related businesses) to identify new opportunities and drivers for profit growth under controllable risks.

Construction

For the year ended 31st December, 2017, the Group shared a profit of HK$100 million (2016: HK$79 million) from Build King Holdings Limited ("Build King"), the construction arm of the Group. As of the date of this announcement, the Group holds 55.60% interest in Build King.

For the year ended 31st December, 2017, Build King recorded revenue of HK$5,986 million (2016: HK$4,871 million) and an audited profit attributable to its owners of HK$184 million (2016: HK$151 million), an increase of 22% as compared with that of 2016. This comprises profit of HK$161 million (2016: HK$151 million) from construction operation and gain of HK$23 million (2016: loss of HK$0.2 million) from investment in listed securities.

For the year 2017, the increase of turnover was in line with the planned progress of the major projects, most of which substantial works were booked during the year. Even though provision of loss was made for two projects, the gross profit margin was maintained at 7.7%, same as that in 2016. As a result of the increase of turnover, Build King's profit after tax increased by 25% from HK$150 million to HK$187 million.

Amid the fierce competition in construction market, Build King managed to secure twelve new projects of total contract sum over HK$12 billion, including four building contracts of HK$2 billion from private developers and eight civil engineering projects of HK$10 billion, majority of which were infrastructure projects. As of the date of this announcement, the total outstanding value of works on hand accumulated to HK$18 billion.

On current civil engineering projects, the overall progress was satisfactory.

For the building division, two projects were completed on time during 2017. Together with four new projects awarded around end of 2017, the division are running nine active projects with outstanding works of HK$3 billion.

During the year, the two investments in the PRC recorded a steady income as planned and continued to generate a total profit after tax of HK$16 million. The operation of sewage treatment plant in Wuxi City was smoothly running at an average of 40,000 ton per day, same level as last year. At Dezhou, the heat supply operation was improving with mild increase in fee income this year.

Construction Materials

For the year ended 31st December, 2017, the construction materials division recorded revenue of HK$664 million (2016: HK$616 million) and a net profit of HK$4 million (2016: HK$22 million).

The decrease in the results for the construction materials division as compared with that of the previous year was because 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 significant drop in concrete prices since the second half of 2016 and the scale of operation of the concrete batching facilities at Lam Tei Quarry still has not yet reached its full capacity, the profit margin generated therefrom is not able to absorb the operating costs and the fixed costs of the concrete batching facilities incurred at Lam Tei Quarry.

The performance of the asphalt business is improving as the order book is picking up in the fourth quarter of 2017. Nevertheless, there is still net loss incurred by the asphalt business as the profit margin generated from the turnover was not able to absorb the operating costs and the fixed costs that the asphalt facilities incurred.

For the concrete business, the replenishment of the order book of the concrete batching facilities at Lam Tei Quarry is gradually picking up. As the concrete price remains high competition in the market, the outlook for the business remains tough.

For the asphalt business, we are focusing on increasing our order book and business promotion to obtain recognition from the customers.

The management continues to adopt prudent cost control measures and is committed to provide high quality of services to both of our concrete and asphalt customers. The additional concrete batching facilities and asphalt facilities at Lam Tei Quarry 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, 2017, the quarrying division recorded revenue of HK$181 million (2016: HK$185 million) and a net loss of HK$12 million (2016: HK$11 million).

In 2017, despite the volume of aggregates produced and sold from the crushing facilities at Lam Tei Quarry has been gradually picking up, the result of Lam Tei Quarry was still in a loss position. Because of the decline in selling prices of aggregates due to severe competition in the market, the thin profit margin generated from sales was unable to cover the substantial amount of operation costs and fixed overheads. By the same token, the decline in aggregates prices coupled with the negative impact of Renminbi appreciation on costs incurred in the PRC turned the operation at Niu Tou Island from net profit in 2016 to net loss in 2017.

The management anticipates that the keen competition will continue in near future that the selling price of aggregates will remain in a comparatively low level in the coming year. As such, cost control measures have been exercising to minimize the cost of aggregates. The performance of quarrying division in the coming year depends very much on the demand and the trend of aggregates prices in the market. Nevertheless, Lam Tei Quarry has the geographic and synergy advantages to the Group's construction and construction materials divisions.

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"). Following the disposals of two residential rental properties in 2016, US Company I sold another two residential rental properties in 2017 and currently holds the remaining five residential rental properties in Houston. The occupancy rate of these five residential rental properties was around 95% on average. For the year ended 31st December, 2017, the Group shared profit of HK$5.2 million and received cash distribution of US$3.0 million from Grand China Fund.

The Group holds 30% interest in Elite International Investment Fund I LP ("Elite Fund") which indirectly holds 75% interest in another US company ("US Company II"). The disposal of the entire 7-storey complex in Los Angeles by US Company II was completed in June 2017 and the liquidation of Elite Fund is in process. For the year ended 31st December, 2017, the Group shared profit of HK$25.4 million and received cash distributions of US$10.5 million from Elite Fund.

The Group holds 10% interest 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 couple of sub-funds. Each sub-fund focuses on a unique property project in the USA. Up to the end of 2017, GCOI Fund has invested eleven property projects in New York, Seattle, Los Angeles, Silicon Valley, Orlando, Dallas, Austin and Houston.

The Group holds 30% effective interest in the Sunnyvale project by injection of US$57 million, in forms of equity and shareholder's loan, in a US investment company ("US Company III") which in turn made capital contribution to another US company (the "Project Company") for the development of 3-storey townhouses on three lots of land in Sunnyvale. In April 2017, the Project Company sold one of the three lots of land at a consideration of US$63 million. Development work of 314 townhouses on the remaining two lots of land is in process. From August to December 2017, 60 townhouses were pre-sold. For the year ended 31st December, 2017, the Group received cash distribution of US$20.5 million, being repayment of all outstanding shareholder's loan, accrued loan interest and release of partial equity, from US Company III.

Lion Trade Global Limited ("Lion Trade"), which is owned 70% by a wholly owned subsidiary of the Company and 30% by a wholly owned subsidiary of Build King, indirectly holds 75% interest in Wisdom H6 LLC ("JV Fund I"), a US joint venture company formed with GPI Investment LLC and GPI H6 LP (collectively "GPI"). In October 2017, Lion Trade and GPI contributed US$14.1 million and US$4.7 million respectively to JV Fund I to purchase a 4-storey residential rental property in Houston at the purchase price of US$42.9 million which was satisfied as to US$25.9 million by way of assumption of certain mortgage loan and as to US$17 million in cash.

Lion Trade indirectly holds 34.35% interest in Estates at Fountain Lake LLC ("JV Fund II"), a US joint venture company formed with Fountain Oaks Property LLC ("Fountain Oaks"). In December 2017, Lion Trade and Fountain Oaks contributed US$4.5 million and US$8.6 million respectively to JV Fund II to purchase a 3-storey residential rental property in Stafford of Texas at the purchase price of US$44.7 million which was satisfied as to US$33.5 million by way of mortgage loan and as to US$11.2 million in cash.

FINANCIAL REVIEW

Liquidity and Financial Resources

During the year, total borrowings increased from HK$991 million to HK$1,113 million with the maturity profile summarised as follows:

	31st December,	
	2017	2016
	HK$'million	*HK$'million*
Within one year	**335**	250
In the second year	**391**	170
In the third to fifth year inclusive	**296**	492
Over five years	**91**	79
	1,113	991
Classified under:		
Current liabilities *(note a)*	**390**	301
Non-current liabilities *(note b)*	**723**	690
	1,113	991

Notes:

(a) At 31st December, 2017, 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$55 million (2016: HK$51 million) have been classified as current liabilities.

(b) At 31st December, 2017, the amount included bonds with carrying amounts of HK$128 million (2016: HK$128 million) carrying fixed coupon interest of 7% per annum and HK$91 million (2016: HK$79 million) carrying fixed coupon interest of 5% per annum respectively.

During the year, the Group had no financial instruments for hedging purpose. At 31st December, 2017, apart from the bonds described above, the Group had no fixed-rate borrowings.

At 31st December, 2017, total amount of the Group's bank balances and cash was HK$1,306 million (2016: HK$987 million), of which bank deposits amounting to HK$0.04 million (2016: HK$0.1 million) were pledged to banks to secure certain banking facilities granted to the Group. In addition, the Group has available unutilised bank and other borrowings facilities of HK$894 million (2016: HK$570 million) and HK$50 million (2016: HK$24 million) respectively.

For the year ended 31st December, 2017, the Group recorded finance costs of HK$68 million (2016: HK$69 million).

At 31st December, 2017, a portfolio of held-for-trading investments were stated at their fair values in a total amount of HK$46 million (2016: HK$26 million), comprising equity securities listed in Hong Kong. For the year ended 31st December, 2017, the Group recorded a net gain (net amount of change in fair value and dividend income) of HK$23 million (2016: net loss of HK$0.2 million) from these investments, of which net gain of HK$23 million (2016: net loss of HK$0.2 million) was derived from the securities invested by Build King.

The Group's borrowings, investments and bank balances are principally denominated in Hong Kong dollar, Renminbi and United States dollar. As a result, the Group is exposed to the currency risks for fluctuation in exchange rates of Renminbi and United States dollar. However, there is no significant exposure to foreign exchange rate fluctuations during the year. The Group will continue to monitor its exposure to the currency risks closely.

Capital Structure and Gearing Ratio

At 31st December, 2017, the equity attributable to owners of the Company amounted to HK$7,063 million, representing HK$8.90 per share (2016: HK$5,952 million, representing HK$7.50 per share). Increase in equity attributable to owners of the Company was mainly attributable to share of translation reserves of associates and profit generated after deduction of dividends paid during the year.

At 31st December, 2017, the gearing ratio, representing the ratio of interest bearing borrowings to equity attributable to owners of the Company, was 15.8% (2016: 16.6%) 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 -2.7% (2016: 0.1%) as a result of total amount of bank balances and cash exceeding total amount of interest bearing borrowings.

Pledge of Assets

At 31st December, 2017, apart from the bank deposits pledged to secure certain banking facilities granted to the Group, certain vessels with an aggregate carrying value of HK$140 million (2016: nil) and the shares of certain subsidiaries of the Company were pledged to secure certain bank loans and banking facilities granted to the Group. At 31st December, 2016, certain motor vehicles with an aggregate carrying value of HK$3 million were also pledged to secure a bank loan granted to the Group.

Capital Commitments

At 31st December, 2017, the Group committed capital expenditure contracted for but not provided in the Group's consolidated financial statements of HK$3 million (2016: HK$101 million) in respect of acquisition of property, plant and equipment.

Contingent Liabilities

At 31st December, 2017, the Group had outstanding tender/performance/retention bonds in respect of construction contracts amounting to HK$721 million (2016: HK$614 million).

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2017, the Group had 2,218 employees (2016: 2,105 employees), of which 2,158 (2016: 1,997) were located in Hong Kong, 59 (2016: 107) were located in the PRC and 1 (2016: 1) was located in UAE. For the year ended 31st December, 2017, the Group's total staff costs were HK$1,079 million (2016: HK$915 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 Group's construction division recorded a growth of over 20% in terms of turnover and profit for 2017. With the record-high outstanding value of works on hand, the performance of this division in 2018 is promising.

It has been observed that the market prices for aggregates and concrete remain low and will continue at such levels in 2018. Coupled with shrinking of civil projects sector, the operators in both aggregates and concrete industries should face extremely challenging time in 2018. To handle the challenges, the Group would continue implementing cost control measures to strengthen our competitiveness.

The performance of the property funds in 2017 is satisfactory and it is anticipated to have some returns and cash distributions in 2018. The Group continues closely monitoring the performance of the property funds and looking for new investments in US properties.

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, 2017.

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, 2017.

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, 2017, 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 Chairman's Place, M/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 18th May, 2018 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 2017 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, 8th March, 2018

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.