Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Win Win Way Construction Holdings Ltd.

恒誠建築控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 994)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

ANNUAL RESULTS

The Board (the "Board") of directors (the "Directors") of Win Win Way Construction Holdings Ltd. (the "Company") announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017, together with comparative figures of the corresponding period in 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

(Expressed in Hong Kong dollars)

	Note	2017	2016
		$'000	*$'000*
Revenue	*3*	**821,907**	715,107
Direct costs		**(707,997)**	(588,573)
Gross profit		**113,910**	126,534
Other income	*4*	**301**	1,143
General and administrative expenses		**(81,365)**	(70,032)
Profit from operations		**32,846**	57,645
Finance costs	*5(a)*	**(1,640)**	(2,358)
Profit before taxation	*5*	**31,206**	55,287
Income tax	*6*	**(8,319)**	(13,150)
Profit for the year		**22,887**	42,137
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas subsidiaries		**(1)**	2
Profit and total comprehensive income for the year		**22,886**	42,139
Earnings per share *(Hong Kong cents)*	*7*		
Basic and diluted		**5.17**	10.97

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

(Expressed in Hong Kong dollars)

	Note	**2017**	2016
		$'000	*$'000*
Non-current assets			
Property, plant and equipment		**5,267**	16,473
Deposits and prepayments		**–**	1,021
Deferred tax assets		**648**	–
		5,915	17,494
Current assets			
Gross amounts due from customers for contract work		**215,927**	151,240
Trade and other receivables	*8*	**171,774**	150,662
Cash and bank balances		**56,051**	19,501
		443,752	321,403
Current liabilities			
Gross amounts due to customers for contract work		**11,597**	7,177
Trade and other payables	*9*	**130,709**	150,208
Amounts due to related parties		**4,345**	–
Obligations under finance leases		**6,674**	7,823
Bank loans		**50,996**	29,033
Tax payable		**3,310**	9,453
		207,631	203,694

	Note	2017	2016
		$'000	$'000
Net current assets		**236,121**	117,709
Total assets less current liabilities		**242,036**	135,203
Non-current liabilities			
Obligations under finance leases		**2,461**	9,135
Deferred tax liabilities		**–**	204
		2,461	9,339
NET ASSETS		**239,575**	125,864
CAPITAL AND RESERVES			
Share capital		**5,120**	234
Reserves		**234,455**	125,630
TOTAL EQUITY		**239,575**	125,864

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT

(Expressed in Hong Kong dollars)

1. General information

Win Win Way Construction Holdings Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of construction and related services, which mainly included foundation works and ancillary services and general building works, and sales of piles. The Company was incorporated in the Cayman Islands on 5 October 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 July 2017 (the "Listing").

The annual results set out in this announcement do not constitute the Group's financial statements for the year ended 31 December 2017 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 2(b) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements.

2. Preparation and presentation

(a) Basis of preparation and presentation

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries.

Pursuant to a group reorganisation completed on 23 June 2017 (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 30 June 2017 (the "Prospectus").

The Group's businesses were conducted principally through Win Win Way Construction Co., Limited ("WWWC"), Smart City Engineering Limited ("SCE"), Win Win Way Materials Supply Limited ("WWWM") and Win Win Way Construction Co., (Saipan) Inc. ("WWWC (Saipan)"). Prior to the Reorganisation, WWWC and WWWM were wholly-owned by Win Win Way Holdings Limited ("WWWH") and WWWC (Saipan) was wholly-owned by Moral Grace Investment Limited ("MGIL"). WWWH and SCE were owned as to 33.33% by Mr. Kan Hou Sek, Jim ("Mr. Kan"), 33.33% by Mr. Lee Sai Man ("Mr. Lee") and 33.33% by Mr. Wong Siu Kwai ("Mr. Wong") and MGIL was held by Cheung Yuk Kwan on trust which was owned as to 33.33% by Mr. Kan, 33.33% by Mr. Lee and 33.33% by Mr. Wong. Mr. Kan, Mr. Lee and Mr. Wong are collectively the "Controlling Shareholders" and were acting in concert during the current and prior periods.

The companies that took part in the Reorganisation were controlled by the Controlling Shareholders before and after the Reorganisation. As the control is not transitory and, consequently, there was a continuation of risks and benefits to the Controlling Shareholders, the Reorganisation is considered to be a restructuring of entities under common control. The financial statements for the year ended 31 December 2016 have been prepared using the merger basis of accounting as if the Group has always been in existence. The net assets of the companies taking part in the Reorganisation are combined using the book values from the Controlling Shareholders' perspective.

(b) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue and segment information

(a) Revenue

Revenue represents revenue from construction contracts earned and sales of piles during the year.

	2017	2016
	$'000	*$'000*
Revenue from construction contracts	**754,203**	715,006
Sales of piles	**67,704**	101
	821,907	715,107

(b) Segment information

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Construction contracts: this segment provides foundation and general building works to customers in Hong Kong and Saipan.

– Sales of piles: this segment covers sales of piles to customers in Hong Kong.

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of deferred tax assets (if any) and other corporate assets. Segment liabilities include all current and non-current liabilities with the exception of deferred tax liabilities (if any) and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment profit is profit before taxation except that unallocated corporate expenses are excluded from this measurement.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below:

		2017	
	Construction contracts	**Sales of piles**	**Total**
	$'000	***$'000***	***$'000***
Revenue from external customers	**754,203**	**67,704**	**821,907**
Reportable segment revenue	**754,203**	**67,704**	**821,907**
Reportable segment profit	**49,257**	**5,848**	**55,105**
Interest expenses	**1,640**	**–**	**1,640**
Depreciation for the year	**720**	**–**	**720**
Reportable segment assets	**448,883**	**6,984**	**455,867**
Additions to non-current segment assets during the year	**976**	**–**	**976**
Reportable segment liabilities	**213,236**	**2,698**	**215,934**

	2016		
	Construction contracts	Sales of piles	Total
	$'000	*$'000*	*$'000*
Revenue from external customers	715,006	101	715,107
Reportable segment revenue	715,006	101	715,107
Reportable segment profit	79,820	22	79,842
Interest expenses	2,358	–	2,358
Depreciation for the year	802	–	802
Reportable segment assets	331,024	206	331,230
Additions to non-current segment assets during the year	1,236	–	1,236
Reportable segment liabilities	204,258	867	205,125

(ii) Reconciliation of reportable segment profit

	2017	2016
	$'000	*$'000*
Reportable segment profit	**55,105**	79,842
Unallocated corporate expenses	**(23,899)**	(24,555)
Consolidated profit before taxation	**31,206**	55,287

(iii) Reconciliation of reportable segment assets and liabilities

	2017	2016
	$'000	*$'000*
Assets		
Reportable segment assets	**455,867**	331,230
Other corporate assets	**–**	7,776
Elimination of inter-segment receivables	**(6,848)**	(109)
	449,019	338,897
Deferred tax assets	**648**	–
Consolidated total assets	**449,667**	338,897

	2017	2016
	$'000	*$'000*
Liabilities		
Reportable segment liabilities	**215,934**	205,125
Other corporate liabilities	**1,006**	7,813
Elimination of inter-segment payables	**(6,848)**	(109)
	210,092	212,829
Deferred tax liabilities	**–**	204
Consolidated total liabilities	**210,092**	213,033

(iv) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets.

Revenue from external customers:

	2017	2016
	$'000	*$'000*
Hong Kong (place of domicile)	**662,768**	656,839
Saipan	**159,139**	58,268
	821,907	715,107

Physical location of the specified non-current assets:

	2017	2016
	$'000	*$'000*
Hong Kong (place of domicile)	**2,570**	9,080
Saipan	**2,697**	7,393
	5,267	16,473

4. Other income

	2017	2016
	$'000	*$'000*
Rental income from lease of machinery	**180**	562
Sales of scrap materials	**–**	60
Exchange (loss)/gain	**(149)**	180
Others	**270**	341
	301	1,143

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2017	2016
	$'000	*$'000*
(a) Finance costs		
Interest on bank overdrafts	**13**	108
Interest on bank loans	**991**	1,226
Finance charges on obligations under finance leases	**636**	1,024
	1,640	2,358
(b) Staff costs (including directors' remuneration)		
Contributions to defined contribution retirement plans	**3,577**	3,714
Salaries, wages and other benefits	**118,441**	115,530
	122,018	119,244
Less: Amount included in construction contracts in progress	**(96,540)**	(99,220)
	25,478	20,024

	2017	2016
	$'000	*$'000*
(c) Other items		
Depreciation	**12,182**	20,333
Less: Amount included in construction contracts in progress	**(11,462)**	(19,531)
	720	802
Operating lease charges: minimum lease payments in respect of leasing of properties	**4,134**	4,207
Less: Amount included in construction contracts in progress	**(635)**	(936)
	3,499	3,271
Cost of goods sold	**60,171**	34
Listing expenses	**17,314**	19,316
Write off of retention receivables	**–**	1,400
Write off of deposits and prepayments	**1,021**	–
Auditors' remuneration	**2,555**	333

6. Income tax

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2017	2016
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**9,171**	14,419
Deferred tax		
Origination and reversal of temporary differences	**(852)**	(1,269)
	8,319	13,150

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year. No provision for overseas taxation as the Group's overseas subsidiaries either did not have assessable profits or have tax credits in excess of assessable profits during the year in the relevant jurisdiction.

7. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $22,887,000 (2016: $42,137,000) and the weighted average of 442,915,068 (2016: 384,000,000) ordinary shares for the year ended 31 December 2017 on the assumption that the Reorganisation, subdivision of shares of the Company and the capitalisation issue had been completed on 1 January 2016.

(b) Diluted earnings per share

There were no potential dilutive shares in existence during the years ended 31 December 2017 and 2016 and, therefore, diluted earnings per share are the same as the basic earnings per share.

8. Trade and other receivables

	2017	2016
	$'000	*$'000*
Trade debtors	**59,101**	45,401
Deposits, prepayments and other receivables *(note (i))*	**13,858**	20,088
Retentions receivable *(note (ii))*	**98,815**	86,194
	171,774	151,683
Less: Non-current portion	**–**	(1,021)
	171,774	150,662

Notes:

(i) Except for the amount of $715,000 as at 31 December 2017 (2016: $614,000) which was expected to be recovered or recognised as expense after one year, all of the remaining balance is expected to be recovered or recognised as expense within one year.

(ii) Except for the amount of $71,744,000 as at 31 December 2017 (2016: $71,285,000) which was expected to be recovered after one year, all of the remaining balance is expected to be recovered within one year.

(a) Ageing analysis

Included in trade and other receivables are trade debtors, based on invoice date (net of allowance for doubtful debts) with the following ageing analysis at the end of the reporting period:

	2017	2016
	$'000	*$'000*
Within 1 month	**10,605**	42,649
1 to 2 months	**2,200**	350
2 to 3 months	**–**	–
Over 3 months	**46,296**	2,402
	59,101	45,401

In respect of trade and other receivables, individual credit evaluations are performed as part of the acceptance procedures for new contracts. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables from both of construction contracts business and sales of piles business are due within 0-60 days from the date of billing.

9. Trade and other payables

	2017	2016
	$'000	*$'000*
Trade creditors	**86,892**	78,063
Other payables and accruals	**22,744**	59,306
Receipt in advance	**–**	1,260
Retentions payable *(note)*	**21,073**	11,579
	130,709	150,208

Note: Except for the amount of $17,856,000 as at 31 December 2017 (2016: $10,470,000) which was expected to be settled after one year, all of the remaining balances are expected to be settled within one year.

Included in trade and other payables are trade creditors, based on invoice date, with the following ageing analysis at the end of the reporting period:

	2017	2016
	$'000	*$'000*
Within 1 month	**43,991**	31,274
1 to 2 months	**14,137**	17,750
2 to 3 months	**7,228**	8,446
Over 3 months	**21,536**	20,593
	86,892	78,063

10. Contingent liabilities and claims

(a) At 31 December 2017, the Group had contingent liabilities in respect of performance bonds to guarantee the due and proper performance of the obligations undertaken by the Group's subsidiaries for projects amounting to $64,667,500 (2016: $84,062,500).

(b) In 2012, WWWC set up an arrangement with a third party to jointly undertake a construction project with a contract sum of $270,000,000. Pursuant to the requirements of the construction contract (the "Contract"), WWWC and the third party entered into an agreement with the customer to jointly and severally guarantee the due and proper performance of the Contract and thus the Group had contingent liabilities in this respect as at 31 December 2017. Given the defect liability period for the Contract had expired in October 2015 and no claims were received from the customer up to the date of approval of these financial statements, the directors do not consider it is probable that a claim would be made against the Group and no provision has been made in the financial statements.

(c) The Group initiated legal proceedings in December 2015 and filed a statement of claims in January 2016 against a subcontractor and its director for their breach of a sub-contracting agreement in relation to a project (the "Project") and claimed an amount of approximately $9,914,000, representing the Group's direct payments to other subcontractors in relation to the Project which were made on behalf of the subcontractor. In May 2016, the subcontractor filed a defence and made passing reference to a counterclaim of approximately $41,328,000. However, no counterclaim is formulated and presented in the defence by the subcontractor. Based on the opinion of the Group's legal adviser, the directors are of the view that the claim from the subcontractor is invalid with little prospect of success and accordingly no provision has been made in the financial statements.

Having considered the pending determination of the final account of the Project between the Group and the customer, the Group took out a stay summons on 7 August 2017 and a discontinuance summons on 16 August 2017 on its legal proceedings against the subcontractor so as to consolidate the claim of $9,914,000 against the subcontractor with the determination of final account of the Project. In September 2017, the High Court of the Hong Kong Special Administrative Region granted leave to the Group to withdraw the stay summons and to discontinue the legal proceedings.

Regarding the aforesaid Project, there was a delay in its completion by the Group. The architect appointed by the customer indicated that the customer was entitled to deduct a sum of approximately $21,125,000 for liquidated damages ("LD Claim"), in addition to the liquidated damages of approximately $1,950,000 already deducted by the customer. The Group has engaged an external contract consultant to assess the exposure of the potential LD Claim. Based on the opinion of the contract consultant, the Directors consider that the likelihood of the Group being liable to such LD Claim is highly unlikely and hence no provision has been made in the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group are the provision of construction services which mainly include foundation works and ancillary services and general building works, and sales of piles. The Group mainly serves customers in Hong Kong from the private sector but also serves customers from the public sector.

In October 2014, the Group entered into a construction contract in Saipan as main contractor, providing foundation works and ancillary services and general building works ("Saipan Project"), which is a construction project of a resort hotel located at San Antonio, Saipan, Commonwealth of the Northern Mariana Islands ("CNMI"). The foundation works lasted from May 2015 to October 2015. The general building works commenced in May 2016 and was preliminarily expected to complete in or around February 2018. However, due to (i) the inclement weather; (ii) change of policy on worker visa application, such that a substantial amount of workers could not obtain the necessary work permit carry out the work in Saipan; and (iii) change in design as instructed by the customer, and permit for this work not having been obtained, the progress of the Saipan Project was hindered. The Saipan Project is now expected to complete in February 2019 and the Board will continue to closely monitor the progress of the project. Since the delay was not due to factors attributable to the fault of our Group, we have applied for extension of time with the customer. On 19 March 2018, the customer has issued a letter to us indicating its agreement to our application for extension of time and the completion date of the Saipan Project was extended to February 2019.

Construction services

As at 31 December 2017, the Group had a total of 18 contracts on hand (including contracts in progress and contracts yet to be commenced) and the relevant awarded contract sum of these contracts on hand amounted to approximately HK$1,943.4 million. The amount of contract sum yet to be recognised as at 31 December 2017 amounted to approximately HK$708.8 million.

Foundation Works and Ancillary Services

Foundation works mainly include mini-piling, percussive piling, rock socketed in steel H-piles and bored piles, together with the construction of pile caps. Ancillary services mainly include site formation and demolition works, for example, clearance of the site, excavation, demolition of a building or any substantial part of a building.

During the year ended 31 December 2017, there were 44 (2016: 44) foundation works and ancillary services projects contributing revenue of HK$131.3 million (2016: HK$370.4 million) to this business segment.

General Buildings Works

General building works mainly include structural alteration and additional works, development of superstructures such as entire dwelling, office buildings, stores, public utility buildings, farm buildings, etc.

During the year ended 31 December 2017, there were 11 (2016: 9) general building works projects contributing revenue of HK$622.9 million (2016: HK$344.6 million) to this business segment.

Trading of Piles

The piles are manufactured and supplied by 廣州羊城管樁有限公司 ("GZYC"), the related party of the Company. Win Win Way Materials Supply Limited ("WWW Materials"), the indirect wholly owned subsidiary of the Company, has been granted the exclusive distribution right by GZYC for its pile products in Hong Kong from August 2010 to July 2020. The piles sourced from GZYC are "YANGCHENG" precast prestressed concrete piles (the "PHC Piles").

On 1 March 2017 and 24 June 2017, WWW Materials entered into a purchase agreement and a supplemental purchase agreement, respectively (collectively, the "Existing PHC Pile Purchase Agreement"), with GZYC pursuant to which the WWW Materials agreed to make a one-off purchase of a total of 164,000 meters of PHC Piles of four different specifications and 4,500 units of steel cross shoes from GZYC to satisfy our Hong Kong customers' demand.

In light of the delays in certain projects of the Group's customers, WWW Materials and GZYC have agreed to extend the expiry date of the Existing PHC Piles Purchase Agreement from 31 December 2017 to 30 June 2018 by the supplemental agreement to the PHC Piles Purchase Agreement dated 15 November 2017.

During the year ended 31 December 2017, trading of piles contributed HK$67.7 million (2016: HK$0.1 million) revenue to the Group.

FINANCIAL REVIEW

During the year ended 31 December 2017, we completed 11 projects involving foundation works and ancillary services, and 1 project involving general building works.

For the year ended 31 December 2017, the Group's revenue amounted to approximately HK$821.9 million (2016: HK$715.1 million). The increase was mainly attributable to (i) increase in general building works projects during the year, together with contribution from Saipan Project for its general building works commenced in May 2016; and (ii) revenue contributed from sales of piles during the year.

For the year ended 31 December 2017, the overall gross profit was HK$113.9 million (2016: HK$126.5 million), while the overall gross profit margin was 13.9% (2016: 17.7%). The gross profit and gross profit margin of the projects are affected by a number of factors, including scope of work, technical complexity, geological conditions of the work sites, variation orders and/or work programme, and therefore varies from project to project. Foundation work projects undertaken by the Group generally have a higher gross profit margin compared with general building work projects. During the year ended 31 December 2017, 82.6% revenue of construction contract segment was contributed from general building work projects (2016: 48.2%). The decrease in gross profit margin was due to higher portion of revenue from general building work projects.

General and administrative expenses (the "G&A Expenses") primarily comprises staff costs, business development expenses, transportation expenses, depreciation, bank charges, office expenses and professional charges that includes the non-recurring listing related expenses. The G&A Expenses for the year increased by approximately HK$11.4 million to approximately HK$81.4 million, compared with approximately HK$70.0 million in last year, which was mainly due to additional staff costs (including directors' remuneration) of approximately HK$5.3 million, legal and professional fees of approximately HK$4.1 million and promoting expenses of approximately HK$2.5 million incurred during the year.

As a result, profit for the year has decreased from approximately HK$42.1 million in last year to approximately HK$22.9 million, representing a decrease of 45.6%. Excluding the non-recurring listing related expenses, the adjusted profit for the year ended 31 December 2017 amounted to approximately HK$40.2 million (31 December 2016: HK$61.5 million), representing a decrease of 34.6%.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 December 2017	As at 31 December 2016
Current ratio[1]	**2.1**	1.6
Gearing ratio *(%)*[2]	**25.1**	36.5
Net debt to equity ratio *(%)*[3]	**1.7**	21.0
Interest coverage[4]	**20.0**	24.4

Notes:

1. Current ratio based on the total current assets divided by the total current liabilities.

2. Gearing ratio based on the total debt (which includes bank loans and obligations under finance leases) divided by total equity and multiplied by 100%.

3. Net debt to equity ratios based on net debts (which include bank loans and obligations under finance leases less cash and bank balances) divided by total equity and multiplied by 100%.

4. Interest coverage based on the profit before taxation and interest divided by the total interest expenses incurred.

Current ratio increased from 1.6 as at 31 December 2016 to 2.1 as at 31 December 2017, mainly due to increase in cash and bank balances. Gearing ratio decreased from 36.5% as at 31 December 2016 to 25.1% as at 31 December 2017, mainly due to the net addition in equity after including net profit for the year and new shares issued upon the Listing. Net debt to equity ratio decreased from 21.0% as at 31 December 2016 to 1.7% as at 31 December 2017, mainly due to increase in cash and bank balances and total equity. Interest coverage decreased from 24.4 for the year ended 31 December 2016 to 20.0 for the year ended 31 December 2017, mainly due to larger decrease effect of profit before interest and tax, compared with finance costs.

As at 31 December 2017, the Group had cash and bank balances of approximately HK$56.1 million (31 December 2016: HK$19.5 million).

The capital structure of the Group consisted of equity of HK$239.6 million and debts (bank loans and obligations under finance leases) of HK$60.1 million as at 31 December 2017.

The Group adopts a prudent approach in cash management. Apart from certain debts including bank loans and obligations under finance leases, the Group did not have any material outstanding debts as at 31 December 2017. In any case, the Group may utilise its banking facilities of HK$160.0 million, of which HK$67.4 million remain unused as at 31 December 2017.

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing will be utilised in accordance with the proposed applications set out in the Prospectus of the Company. The table below sets out the proposed applications of the net proceeds and actual usage up to 31 December 2017:

	Proposed application ***HK$'million***	Actual usage up to 31 December 2017 *HK$'million*
Strengthen our Hong Kong market position to capture profitable projects	**16.5**	16.5
Acquire additional machinery and equipment	**9.4**	–
Finance the issue of surety bonds for future projects	**16.5**	–
General working capital	**4.7**	4.7
	47.1	21.2

DIVIDEND

The Directors do not propose the payment of a final dividend by the Company for the year ended 31 December 2017.

EMPLOYEES

The Group had 353 employees as at 31 December 2017. The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as performance of the Group. Remuneration package is comprised of salary, performance-based bonus, and other benefits including training and provident funds.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 December 2017.

CHARGES ON GROUP ASSETS

As at 31 December 2017, the Group had obligations under finance leases of approximately HK$9.1 million (31 December 2016: HK$17.0 million). The Group's obligations under finance leases are secured by the lessors' charge over the leased assets with net book values of HK$0.1 million as at 31 December 2017 (31 December 2016: HK$6.2 million). In addition, as at 31 December 2017, bank deposits of HK$36.3 million were pledged to secure the banking facilities granted to the Group.

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

During the period from the Listing to 31 December 2017, neither did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

CONTINGENT LIABILITIES

Except for those disclosed in note 10 to this results announcement, the Group had no other contingent liabilities as at 31 December 2017.

FOREIGN EXCHANGE EXPOSURE

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars and United States dollars. As the Hong Kong dollars is pegged to the United States dollars, the Group considers the risk of movements in exchange rates between the Hong Kong dollars and the United States dollars to be insignificant.

As at 31 December 2017, the Group did not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

LEASE COMMITMENTS

The Group leases a number of properties under non-cancellable operating lease agreements. The lease terms are 2 to 5 years and the lease arrangements are renewable at the end of the lease period at market rate.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Company was incorporated in the Cayman Islands on 5 October 2015 with limited liability under the Companies Law of the Cayman Islands. In preparation of the listing of the Company's shares on the Stock Exchange, the Group underwent the Reorganisation pursuant to which the Company became the holding company of the subsidiaries now comprising the Group on the date of the Listing.

Apart from the Reorganisation in relation to the Listing, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2017.

SHARE OPTIONS

Written resolutions of the sole shareholder were passed on 23 June 2017 to adopt the share option scheme (the "Scheme"). No share options have been granted, exercised or cancelled under the Scheme since its adoption date and up to the date of this annual results announcement. The Scheme will remain in force for a period of 10 years after the date of adoption.

EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 December 2017 and up to the date of this annual results announcement.

PROSPECTS

In view of the growth prospects for both public and private development projects, the Group intend to expand the business capacity and scale to strength the market position in Hong Kong to capture more sizeable and profitable projects. The Directors believe that the Group can capture such opportunities and take an active part in the foundation works and ancillary services, as well as general building works required for such projects. The Group intend to strengthen Hong Kong market position and further diversify the customer base by pursuing works from more private residential developers.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Board is of the opinion that the Company had adopted, applied and complied with code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules since its Listing.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules upon the Listing. All the Directors confirmed that they had complied with the required standard set out in the Model Code during the period from the listing date to the date of this annual results announcement in response to the specific enquiry made by the Company.

The Board has established written guidelines no less exacting than the Model Code for relevant employees in respect of their dealings in the securities of the Company as required under the CG Code. No incident of non-compliance of such guidelines by the relevant employees was noted by the Company since the Listing.

AUDIT COMMITTEE REVIEW

The Audit Committee consists of three independent non-executive Directors and has reviewed the Group's consolidated financial statements for the year ended 31 December 2017.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at *www.winwinway.com.hk* and the Stock Exchange's website at *www.hkexnews.hk*. The 2017 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board of Directors
Win Win Way Construction Holdings Ltd.
Lee Kai Lun
Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lee Kai Lun as Chairman and executive Director; Dr. Kan Hou Sek, Jim, Mr. Lee Sai Man, Mr. Wong Siu Kwai and Mr. Kwong Po Lam, as executive Directors; and Mr. Fan Siu Kay, Mr. Leung William Wai Kai and Mr. Lo Chi Leung, as independent non-executive Directors.