



FDB HOLDINGS LIMITED
豐展控股有限公司

(Incorporated in the Cayman Islands
with limited liability)
(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 8248)

2015
THIRD QUARTERLY REPORT
第三季度報告

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of FDB Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHT

- The Group's revenue amounted to approximately HK\$185.9 million for the nine months ended 30 September 2015, representing an increase of approximately HK\$70.4 million or approximately 60.9% as compared with the nine months ended 30 September 2014.
- The profit and total comprehensive income for the period of the Company is approximately HK\$3.3 million for the nine months ended 30 September 2015, representing a decrease of approximately HK\$6.4 million or approximately 66.4% as compared with the nine months ended 30 September 2014 mainly due to the listing expenses of approximately HK\$10.1 million incurred during the nine months ended 30 September 2015.
- The Board does not recommend the payment of interim dividend for the nine months ended 30 September 2015.

THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2015, together with the unaudited comparative figures for the corresponding period in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	3	83,328	44,862	185,885	115,524
Cost of services		(71,989)	(34,802)	(158,877)	(92,670)
Gross profit		11,339	10,060	27,008	22,854
Other income		28	20	29	625
Listing expenses		(3,757)	–	(10,094)	–
Administrative expenses		(4,039)	(3,512)	(10,664)	(10,645)
Finance costs		(110)	(364)	(369)	(1,222)
Profit before tax		3,461	6,204	5,910	11,612
Income tax expense	4	(1,389)	(1,025)	(2,643)	(1,903)
Profit and total comprehensive income for the period		2,072	5,179	3,267	9,709
Earnings per share					
— Basic and diluted (HK cents)	6	0.2	0.5	0.3	0.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2015

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2015 (audited)	1,000	–	–	40,554	41,554
Adjustments arising from the reorganisation	(1,000)	–	1,000	–	–
Issue of shares during the reorganisation	–	–	–	–	–
Issue of shares during the period	1	–	–	–	1
Issue of shares by capitalisation of share premium account	10,779	(10,779)	–	–	–
Issue of shares upon placing	1,540	36,960	–	–	38,500
Expenses incurred in connection with the issue of shares upon placing	–	(4,741)	–	–	(4,741)
Deemed distribution to shareholder	–	–	–	(1,662)	(1,662)
Profit and total comprehensive income for the period	–	–	–	3,267	3,267
Dividend recognised as distribution (note 5)	–	–	–	(22,000)	(22,000)
At 30 September 2015 (unaudited)	12,320	21,440	1,000	20,159	54,919
At 1 January 2014 (audited)	1,000	–	–	21,434	22,434
Profit and total comprehensive income for the period	–	–	–	9,709	9,709
At 30 September 2014 (unaudited)	1,000	–	–	31,143	32,143

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. Its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The address of its principal place of business is located at 6/F, The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong. The Company's issued shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") since 30 September 2015 (the "Listing").

The Company is an investment holding company. The Company's subsidiaries are principally engaged in provision of building consultancy services and contracting business and project management.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 September 2015 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the accountants' report of the Group for the years ended 31 December 2013 and 2014 as set out in the appendix 1 to the Company's prospectus dated 23 September 2015. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the accountants' report of the Group for the years ended 31 December 2013 and 2014.

In current period, HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company. There have been no significant changes to the accounting policies applied in these financial statements for the period presented as a result of these developments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

2. BASIS OF PREPARATION (CONTINUED)

The preparation of the unaudited condensed consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

3. REVENUE

Revenue represents the fair value of amounts received and receivable for services rendered by the Group to outside customers, less discount. Information reported to the Company's executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Contracting business and project management ("Contracting service")
2. Provision of building consultancy services ("Consulting service")

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Contracting service	72,183	36,299	153,895	90,796
Consulting service	11,145	8,563	31,990	24,728
	83,328	44,862	185,885	115,524

4. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Hong Kong Profits Tax	1,389	1,025	2,643	1,903

Hong Kong Profits Tax has been provided at the rate of 16.5% based on the estimated assessable profits of the Group for the period as stated above.

5. DIVIDEND

During the nine months period ended 30 September 2015, the Company and a wholly owned subsidiary of the Company after the reorganisation, declared and paid total dividends of HK\$22,000,000 to its then shareholders prior to the Listing.

The Board does not recommend the payment of interim dividend for the nine months ended 30 September 2015.

6. EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings:				
Earnings for the purpose of calculating basic earnings per share (profit and total comprehensive income for the period attributable to the owners of the Company)	2,072	5,179	3,267	9,709
	'000	'000	'000	'000
Number of Shares:				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,079,674	1,078,000	1,078,564	1,078,000

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the reorganisation and capitalisation issue had been effective on 1 January 2014.

No diluted earnings per Share was presented as there were no dilutive potential ordinary Shares in existence during the periods under review.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately 60.9% from approximately HK\$115.5 million for the nine months ended 30 September 2014 to approximately HK\$185.9 million for the nine months ended 30 September 2015. In addition, it also experienced an increase of approximately 85.7% from approximately HK\$44.9 million for the three months ended 30 September 2014 to approximately HK\$83.3 million for the three months ended 30 September 2015. The increase was mainly due to the increase in revenue generated from the top three contracting projects which contributed revenue of approximately HK\$78.0 million for the nine months ended 30 September 2015 as compared with nil for the nine months ended 30 September 2014.

Gross Profit

Gross profit of the Group increased by approximately 18.2% from approximately HK\$22.9 million for the nine months ended 30 September 2014 to approximately HK\$27.0 million for the nine months ended 30 September 2015. In addition, it also experienced an increase of approximately 12.7% from approximately HK\$10.1 million for the three months ended 30 September 2014 to approximately HK\$11.3 million for the three months ended 30 September 2015. The increase was mainly driven by the result of increase in revenue for the nine months ended 30 September 2015.

Listing Expenses

During the nine months ended 30 September 2015 and the three months ended 30 September 2015, the Group recognised nonrecurring listing expenses under accrual basis of approximately HK\$10.1 million and HK\$3.8 million, respectively, as expenses in connection with its listing exercise.

Administrative Expenses

Administrative expenses of the Group increased by approximately 0.2% from approximately HK\$10.6 million for the nine months ended 30 September 2014 to approximately HK\$10.7 million for the nine months ended 30 September 2015. In addition, it also experienced an increase of approximately 15.0% from HK\$3.5 million for the three months ended 30 September 2014 to approximately HK\$4.0 million for the three months ended 30 September 2015. Administrative expenses primarily consist of rental expenses and staff costs. The increase was attributable by the increase in both rental expenses and staff costs paid to directors and staff due to business expansion during the period.

Finance Costs

Finance costs for the Group decreased by approximately 69.8% from approximately HK\$1.2 million for the nine months ended 30 September 2014 to approximately HK\$0.4 million for the nine months ended 30 September 2015 and a decrease of approximately 69.8% from approximately HK\$0.4 million for the three months ended 30 September 2014 to approximately HK\$0.1 million for the three months ended 30 September 2015. The decrease was mainly due to the decrease in borrowings for financing the projects in progress.

Income Tax Expense

Income tax expense for the Group increased by approximately 38.9% from approximately HK\$1.9 million for the nine months ended 30 September 2014 to approximately HK\$2.6 million for the nine months ended 30 September 2015 and an increase of approximately 35.5% from approximately HK\$1.0 million for the three months ended 30 September 2014 to approximately HK\$1.4 million for the three months ended 30 September 2015. The increase was mainly due to the increase in profit before tax, excluding the effect of non-deductible expenses, e.g. the listing expenses.

Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the period decreased by approximately 66.4% from approximately HK\$9.7 million for the nine months ended 30 September 2014 to approximately HK\$3.3 million for the nine months ended 30 September 2015 and a decrease of approximately 60.0% from approximately HK\$5.2 million for the three months ended 30 September 2014 to approximately HK\$2.1 million for the three months ended 30 September 2015. Such decrease was primarily attributable to the net effect of (i) the listing expenses incurred by the Group for its listing exercise during the nine months ended 30 September 2015 and three months ended 30 September 2015; and (ii) the increase in revenue and gross profit for the both nine months ended 30 September 2015 and three months ended 30 September 2015. Excluding the one-off exceptional expenses for the listing exercise of the Group of approximately HK\$10.1 million, profit and total comprehensive income for the nine months period ended 30 September 2015 would reach approximately HK\$13.4 million, representing an increase of approximately 37.6% compared to the corresponding period ended 30 September 2014.

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in (i) contracting service for alteration and addition works, maintenance, specialist works and new development; and (ii) consulting service for alteration and addition, new development, licensing, building services, and architectural design for buildings in Hong Kong.

For contracting services the Group mainly undertakes alteration and addition works, renovation and maintenance for new and existing buildings and facilities in Hong Kong either as a main contractor or subcontractor. The Group's contracting service covers various types of buildings, including residential, commercial (e.g. office and hotel), industrial, institutional (e.g. hospital and school) and shops, and the purposes of such works include changing the use of building or renovating the facility. The Group is responsible for organising a project team for the overall implementation of the project according to the scope of work, which generally included planning, construction, monitoring and supervision until completion.

For consulting service, the Group mainly provides to customers (i) Authorized Person services in preparing, submitting and obtaining approval from the relevant Government authorities for plans of building works, including new development or alteration and addition, and/or performing statutory supervision duties until certification upon work completion; (ii) licensing consultancy services including designing layout and obtaining clearance from the relevant Government authorities for licensing of restaurants, food and beverage outlets, food factories, hotels, guesthouses, etc.; (iii) design for building services systems installation for buildings and premises; and (iv) architectural design for new development, alteration and addition, renovation and fitting-out for buildings/premises in Hong Kong. The Group maintains an in-house team of professional staff specialised in surveying, architecture and engineering, and Authorized Persons who are eligible to submit to and obtain approval from the relevant Government authorities on the proposals for new development or alteration and addition works, to offer the aforesaid consulting services.

The Company's shares were successfully listed on the GEM on 30 September 2015 by way of placing (the "Placing"). 308,000,000 placing shares (comprising 154,000,000 new shares offered by the Company and 154,000,000 sale shares offered by the selling shareholder) were issued at HK\$0.25 per share pursuant to the Placing. The net proceeds from the Placing were about HK\$16.6 million after deduction of listing related expenses. As at 30 September 2015, the Group have not utilised the listing proceeds and the unused proceeds were deposited in licensed banks in Hong Kong.

The Directors consider that the continued increase in major infrastructure and construction projects in Hong Kong had led to a general increase in the demand for both contracting and consulting services, resulting in more business opportunities being presented to and secured by the Group and thus the increase in the Group's revenue for the nine months ended 30 September 2015 as compared to the same period in 2014.

Looking forward, the Group will continue to pursue the following key business strategies: (i) Further developing the Group’s contracting and consulting business by strengthen the Group’s available financial resources, thereby allowing the Group to undertake more projects of larger scale which are more working capital demanding and include those that require the provision of surety bond; (ii) further expanding the scope of services by application for additional licences, permits or qualifications which may be required; (iii) further strengthening the Group in-house team of professional and management staff by recruiting additional qualified and experienced staff, including managers, surveyors and engineers, in order to cope with its business development for both contracting and consulting services by undertaking projects of larger scale and of higher complexity.

DISCLOSURE OF INTERESTS

A. Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2015, interests or short positions of the Directors, chief executives of the Company in the shares (the “Shares”), underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Position in the Company’s Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested in	Percentage of shareholding
Mr. Ng Kin Siu (Note 1)	Interest in controlled corporation	924,000,000	75%

Note:

1. Mr. Ng Kin Siu (“Mr. Ng”) beneficially owns the entire issued share capital of Masterveyor Holdings Limited (“Masterveyor”) and is deemed, or taken to be, interested in all the Shares by Masterveyor for the purposes of the SFO. Mr. Ng is an executive Director, the chairman of the Company and the sole director of Masterveyor.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Number of associated corporation	Capacity/ Nature	Name of Shares held/ interested in	Percentage of shareholding
Mr. Ng	Masterveyor	Beneficial owner	2	100%

Save as disclosed above, as at 30 September 2015, none of the Directors nor chief executive of the Company has registered an interest or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders’ and Other Persons’ Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2015, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held/ interested in	Long/ short position	Percentage of total issued share capital of the Company
Mr. Ng (Note 1)	Interest in controlled corporation	924,000,000	Long	75%
Ms. Wong Chai Lin (Note 2)	Interest of spouse	924,000,000	Long	75%
Masterveyor (Note 1)	Beneficial owner	924,000,000	Long	75%

Notes:

1. Mr. Ng beneficially owns the entire issued share capital of Masterveyor and is deemed, or taken to be, interested in all the Shares held by Masterveyor for the purposes of the SFO. Mr. Ng is an executive Director, the chairman of the Company and the sole director of Masterveyor.
2. Ms. Wong Chai Lin is the spouse of Mr. Ng and is deemed, or taken to be, interested in all the Shares in which Mr. Ng is interested for the purposes of the SFO.

Save as disclosed above, as at 30 September 2015 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING INTERESTS

During the nine months period ended 30 September 2015, so far as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders, neither themselves nor their respective associates (as defined in the Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests.

INTEREST OF COMPLIANCE ADVISOR

As at 30 September 2015, as notified by the Company’s compliance advisor, Messis Capital Limited (the “Compliance Advisor”), except for the compliance advisor agreement entered into between the Company and the Compliance Advisor dated on 22 September 2015, neither the Compliance Advisor nor any of its directors, employees or close associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALES OF REDEMPTION OF THE COMPANY’S LISTED SECURITIES

As at 30 September 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE CODE

Under the code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Ng currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

As at 30 September 2015, save as disclosed above, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors ("the Code of Conduct") on terms no less exacting than the required standards of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct since the Listing Date to the date of this report.

DIVIDEND

The Board does not recommend the payment of interim dividend for the nine months ended 30 September 2015.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 16 September 2015 (“the Scheme”). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted since the adoption of the Scheme and there were no share option outstanding as at 30 September 2015.

AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) on 16 September 2015 with its written terms of reference in compliance with paragraphs C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, nominate and monitor external auditors and to provide advice and comments to the Board on matters related to corporate governance. The Audit Committee consists of three members, namely Mr. Chan Kai Nang, Mr. Chan Chun Hong and Mr. Lau Yiu Kit, all being independent non-executive Directors of the Company. Mr. Chan Kai Nang currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2015.

By order of the Board
FDB Holdings Limited
Ng Kin Siu
Chairman and Executive Director

Hong Kong, 9 November 2015

As at the date of this report, the executive Directors are Mr. Ng Kin Siu and Mr. Lai Pak Wei; and the independent non-executive Directors are Mr. Chan Kai Nang, Mr. Chan Chun Hong and Mr. Lau Yiu Kit.



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