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FDB Holdings Limited
豐展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8248)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

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 announcement, for which the directors (the “Directors”) of FDB Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) 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 announcement 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 announcement misleading.

FINANCIAL HIGHLIGHTS

- The revenue of the Group amounted to approximately HK\$121.2 million for the three months ended 31 March 2017, representing an increase of approximately HK\$56.8 million or approximately 88.2% as compared with the three months ended 31 March 2016.
- The profit and total comprehensive income for the period of the Group is approximately HK\$4.7 million for the three months ended 31 March 2017, representing an increase of approximately HK\$1.3 million or approximately 38.2% as compared with the three months ended 31 March 2016.
- The board of Directors (the “Board”) of the Company does not recommend the payment of interim dividend for the three months ended 31 March 2017.

FIRST QUARTERLY RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2017, together with the comparative unaudited figures for the corresponding period in 2016, as follows:

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

	<i>Notes</i>	Three months ended 31 March	
		2017 <i>HK\$'000</i> (Unaudited)	2016 <i>HK\$'000</i> (Unaudited)
Revenue	3	121,237	64,374
Cost of services		<u>(107,054)</u>	<u>(53,850)</u>
Gross profit		<u>14,183</u>	<u>10,524</u>
Other income		172	4
Administrative expenses		(8,456)	(6,196)
Finance costs		<u>(39)</u>	<u>(170)</u>
Profit before tax		5,860	4,162
Income tax expense	4	<u>(1,202)</u>	<u>(751)</u>
Profit and total comprehensive income for the period		<u>4,658</u>	<u>3,411</u>
Earnings per share			
— Basic and diluted (HK cents)	6	<u>0.4</u>	<u>0.3</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

For the three months ended 31 March 2017

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(Note)</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2017 (audited)	12,320	21,440	1,000	55,375	90,135
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,658</u>	<u>4,658</u>
At 31 March 2017 (unaudited)	<u><u>12,320</u></u>	<u><u>21,440</u></u>	<u><u>1,000</u></u>	<u><u>60,033</u></u>	<u><u>94,793</u></u>
At 1 January 2016 (audited)	12,320	21,440	1,000	32,209	66,969
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,411</u>	<u>3,411</u>
At 31 March 2016 (unaudited)	<u><u>12,320</u></u>	<u><u>21,440</u></u>	<u><u>1,000</u></u>	<u><u>35,620</u></u>	<u><u>70,380</u></u>

Note: Other reserve represents the difference between the Company's share capital and the combined share capital of the subsidiaries of the Company pursuant to a reorganisation for the listing.

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 shares of the Company have been listed on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited ("Stock Exchange") since 30 September 2015. Its parent is Masterveyor Holdings Limited ("Masterveyor"), a private company incorporated in the British Virgin Islands ("BVI"). Its ultimate controlling party is Mr. Ng Kin Siu, who is also the Chairman and Executive Director of the Company.

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

The consolidated financial statements are presented in Hong Kong Dollar ("HK\$"), which is the same as the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2017 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA and the applicable disclosure requirements of the GEM Listing Rules.

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 annual financial statements of the Group for the year ended 31 December 2016.

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.

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 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 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Contracting service	106,924	50,827
Consulting service	14,313	13,547
	<u>121,237</u>	<u>64,374</u>

4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Income Tax	<u>1,202</u>	<u>751</u>

The Group is subject to Hong Kong Income Tax at a rate of 16.5% for both periods.

5. DIVIDEND

The Board does not recommend the payment of interim dividend for the three months ended 31 March 2017.

6. EARNINGS PER SHARE

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

	Three months ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of basic earnings per share (profit for the period attributable to the owners of the Company)	<u>4,658</u>	<u>3,411</u>
	'000	'000
Number of Shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,232,000</u>	<u>1,232,000</u>

No diluted earnings per share for both periods were presented as there were no dilutive potential ordinary shares in issue for both periods.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue of the Group increased by approximately 88.2% from approximately HK\$64.4 million for the three months ended 31 March 2016 to approximately HK\$121.2 million for the three months ended 31 March 2017. The increase was mainly due to the increase in demand of contracting and consulting services. Such increase is also evidenced by the increase in number of contracting projects with larger contract sum for the three months ended 31 March 2017 as compared with the three months ended 31 March 2016.

Gross Profit and Gross Profit Margin

Gross profit of the Group increased by approximately 35.2% from approximately HK\$10.5 million for the three months ended 31 March 2016 to approximately HK\$14.2 million for the three months ended 31 March 2017. The increase was mainly driven by the result of increase in revenue for the three months ended 31 March 2017.

Generally speaking, the gross profit margin of the construction project with larger contract sum was relatively low compare with the construction project with smaller contract sum. Also, in view of the intense labour market competition, the Group experienced the increase in subcontracting charges and direct labour costs. As the extend of increase in subcontracting charges and direct labour costs is greater than that of increase in revenue for the three months ended 31 March 2017, the overall gross profit margin dropped from 16.3% for the three months ended 31 March 2016 to 11.7% for the three months ended 31 March 2017.

Administrative Expenses

Administrative expenses primarily consist of staff costs, rental expenses and other professional fee for compliance to the GEM Listing Rules. Administrative expenses of the Group increased by approximately 37.1% from approximately HK\$6.2 million for the three months ended 31 March 2016 to approximately HK\$8.5 million for the three months ended 31 March 2017. The increase was attributable by the increase in staff costs paid to Directors and staff for business expansion and the increase in other professional fee for the transfer of listing during the period.

Income Tax Expense

Income tax expense of the Group increased by approximately 60.1% from approximately HK\$0.8 million for the three months ended 31 March 2016 to approximately HK\$1.2 million for the three months ended 31 March 2017. The increase was mainly due to the increase in profit before tax.

Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the period increased by approximately 38.2% from approximately HK\$3.4 million for the three months ended 31 March 2016 to approximately HK\$4.7 million for the three months ended 31 March 2017. Such increase was primarily attributable to the net effect of (i) the increase in revenue and gross profit for the three months ended 31 March 2017; and (ii) the increase in administrative expenses for the three months ended 31 March 2017.

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 works, new development, licensing, building services, and architectural design for buildings in Hong Kong. The Group provides one-stop integrated solution for both contracting and consulting services from project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offer value-adding services such as providing advice on designs to the Group's customers. This allows the Group to ensure the consistency and quality of work, and provide convenience to the Group's customers.

Looking forward, our Group will continue to further develop our contracting and consulting business by undertaking more projects for alteration and addition works and further strengthen our in-house team of professional staff in order to maintain the competitive edge of the Group over the competitors in the industry. Moreover, the Group will explore contracting opportunities in the field of specialist works such as foundation and allocate more human resources for consultancy services in the public sector.

DISCLOSURE OF INTERESTS

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

As at 31 March 2017, 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 (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 (<i>Note 1</i>)	Interest in controlled corporation	924,000,000	75%

Note:

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

Save as disclosed above, as at 31 March 2017, 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 31 March 2017, 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 Kin Siu (<i>Note 1</i>)	Interest in controlled corporation	924,000,000	Long	75%
Ms. Wong Chai Lin (<i>Note 2</i>)	Interest of spouse	924,000,000	Long	75%
Masterveyor (<i>Note 1</i>)	Beneficial owner	924,000,000	Long	75%

Notes:

1. Mr. Ng Kin Siu 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 Kin Siu 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 Kin Siu and is deemed, or taken to be, interested in all the Shares in which Mr. Ng Kin Siu is interested for the purposes of the SFO.

Save as disclosed above, as at 31 March 2017 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 AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the period ended 31 March 2017.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Messis Capital Limited, as at 31 March 2017, save for the compliance adviser agreement dated on 22 September 2015 entered into between the Company and Messis Capital Limited, neither Messis Capital Limited, its directors, employees and associates had any interests in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 31 March 2017.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision A.2.1 of the CG Code, the roles 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 Kin Siu 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 31 March 2017, 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the period ended 31 March 2017.

DIVIDEND

The Board does not recommend the payment of interim dividend for the three months ended 31 March 2017.

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 during the period under review and there were no share option outstanding as at 31 March 2017.

AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report and interim financial reports before submission to the Board. 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 condensed consolidated financial statements of the Group for the three months ended 31 March 2017.

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

Hong Kong, 10 May 2017

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