

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.

This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for any securities of the Company.

FDB Holdings Limited

豐展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code on Main Board: 1826)

(Stock Code on GEM Board: 8248)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial adviser to the Company

MESSIS  **大有融資**

On 21 March 2017, an application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in 1,232,000,000 Shares in issue on the Main Board by way of Transfer of Listing.

The Board is pleased to announce that the approval-in-principle has been granted by the Stock Exchange on 30 June 2017 for the Transfer of Listing. The last day of dealings in the Shares on GEM (Stock code: 8248) will be 7 July 2017. Dealings in the Shares on the Main Board (Stock code: 1826) will commence at 9:00 a.m. on 10 July 2017. All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. No changes will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the share registrars and transfer offices of the Company following the Transfer of Listing.

Reference is made to the announcement issued by the Company dated 21 March 2017 in relation to the application submitted to the Stock Exchange for the Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 21 March 2017, an application was made by the Company to the Stock Exchange for the Transfer of Listing. The Company has applied for the listing of, and permission to deal in (i) the 1,232,000,000 Shares in issue; and (ii) any Shares which may be issued in respect of the additional share options which may be granted under the Share Option Scheme, on the Main Board by way of Transfer of Listing. The approval-in-principle has been granted by the Stock Exchange on 30 June 2017 for the Shares to be listed on the Main Board and de-listed from GEM. All pre-conditions for the Transfer of Listing have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 30 September 2015. The Company is an investment holding company. The principal activities of its subsidiaries are (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 Board believes that the Transfer of Listing will enhance the profile of the Group and increase the trading liquidity of the Shares. This will strengthen the Group's position in the industry and enhance the Group's competitive strengths in retaining and attracting professional staff and customers. The Board also considers that the listing of the Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group, and it will create a long-term value to the shareholders.

As at the date of this announcement, the Board has no immediate plans to change the nature of the business of the Group following the Transfer of Listing. The Transfer of Listing will not involve any issue of new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 30 September 2015, the date on which the Shares were first listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8248) will be 7 July 2017. Dealings in the Shares on the Main Board (Stock code: 1826) will commence at 9:00 a.m. on 10 July 2017.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in board lots of 10,000 Shares each and are traded in Hong Kong dollars. The principal share registrar and transfer office of the Company is Codan Trust Company (Cayman) Limited and the Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited. No changes will be made to the English and Chinese stock short names of the Company, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 16 September 2015. The Share Option Scheme will remain effective following the Transfer of Listing and will be implemented in full compliance with the requirements of Chapter 17 of the Main Board Listing Rules. The listing of Shares to be issued pursuant to the Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Main Board Listing Rule. No share options has been granted since the adoption of the Share Option Scheme and there were no share option outstanding as at the date of this announcement.

The Company has not issued any other options, warrants or similar rights or convertible equity securities as at the date of this announcement.

PUBLIC FLOAT

The Directors confirm that at least 25% of the total issued share capital of the Company was held by the public (as defined in the Main Board Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Main Board Listing Rules.

COMPETING BUSINESS

As at the date of this announcement, none of the Directors or Controlling Shareholders or their respective associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Main Board Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted by the Shareholders at the annual general meeting of the Company held on 28 April 2017 to the Directors to allot and issue new Shares and repurchase Shares will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or regulations of the Cayman Islands or the Articles to be held; and
- (c) the date on which such authority is revoked or varied by an ordinary resolution by Shareholders in general meeting.

PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of reporting financial results on a quarterly basis and will follow the relevant requirements of the Main Board Listing Rules, which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company pursuant to the reporting requirements under the Main Board Listing Rules.

PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the Group are (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.

Contracting service

For contracting service, 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 also undertakes demolition works, and building works for house, façade and signage. Revenue from a contracting project mainly represents the contracting fee income, while main costs include subcontracting charges incurred by the Group, staff costs of in-house staff involved, costs of material and other supplies required for the performance of the works.

Business model of contracting service

The Group is mainly invited by its customer (either the landlord/property developer itself or its consultant, or the main contractor) to submit a tender, or is sometimes invited to provide a quotation, for a potential contracting project. Upon receiving an invitation for tender, a tendering team will review the requests for tender and commence preliminary work for the preparation of tender submissions. Once contracts are awarded from the customers to the Group in the form of letter of award/letter of intent/purchase order, a project team will be formed and will be responsible for the overall management of the project, reviewing the designs and providing advice to the designs as necessary.

During the course of the execution of the site works, the project manager or the designated member of the project management team will carry out site inspection to monitor the work progress and the quality of work from time to time and report the work progress on a monthly basis to ensure the works performed are comply with the requirements as set out in the relevant contract.

The Group makes progress payment application to the customer pursuant to the terms of the contract and the customers or its consultant will examine the portion of work completed and would issue a payment certificate after examination for the purpose of customer billing.

Consulting service

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. Revenue from a consulting project mainly represents the consulting fee income, while main costs include staff costs of in-house staff involved for the provision of the related consulting project and subconsulting charges.

Business model of consulting service

For Authorized Person services, the Group is responsible for the provision of professional services from feasibility study, design of plans, submission to and liaison with Government authorities and site supervision until work completion. For feasibility study, the Group provides advice and checking for development parameters with respect to, among other things, statutory requirements and constraints imposed by any contractual arrangements. The Group's professional staff acts as the Authorized Persons in the preparation of prescribed plans and documents under the Buildings Ordinance for building works (for both new development or alteration and addition works) based on customers' requirements and

parameters of the premises and in conformity with the applicable laws and regulations in Hong Kong. The Group then submits the plans and documents to the Building Authority for processing, and liaise with and obtain approval on the submitted plans from related Government authorities. Subject to the terms of the engagement, the Group may continue the Authorized Person's role in supervising the execution of site works as per statutory requirements until the issuance of occupation permits and acknowledgement letters for new developments and alteration or addition works respectively upon completion of the building works.

For licensing consultancy services, the Group is responsible for the layout design and associated submissions for restaurants, food and beverage outlets, food factories, etc. in conformity with the applicable laws and regulations in Hong Kong for the purpose of obtaining the relevant licences to carry out their businesses. Such licences include restaurant licence and food factory licence. The Group then submits the plans and documents to the corresponding licensing authorities, and liaises with and obtains letters of requirements on the submitted plans and documents from the licensing authority. Upon completion of site works, the Group coordinates and makes submissions for certification along with the related documents to the licensing authority and follows through required inspections by related Government authorities until the issuance of licences to the customers.

On top of consulting services relating to new development or alteration and addition works, the Group also provides designing services for Building Services systems installation in a consulting project, which is essential to the functioning of a building. The Group can also offer architectural design in parallel with design for building works for new development or alteration and addition works on a consulting project. For renovation or fitting-out works not requiring statutory submissions to be made by the Group, the Group can also provide interior design services to customers separately.

The Group mainly acts as a main contractor during the Track Record Period. As a main contractor, the Group oversees the progress of a construction project and assumes full responsibilities for the due completion of the construction works pursuant to the relevant contract. As a subcontractor, the Group is engaged by another contractor (either main contractor or subcontractor) to carry out all or part of the works of a construction project.

Set out below is a breakdown of revenue by acting as main contractor and subcontractor in each of contracting service and consulting service for the three years ended 31 December 2016:

For the year ended 31 December 2014

	Main Contractor		Subcontractor	
	<i>HK'000</i>	%	<i>HK'000</i>	%
Contracting service	91,978	75.2	66,162	85.7
Consulting service	<u>30,412</u>	<u>24.8</u>	<u>11,002</u>	<u>14.3</u>
Total	<u><u>122,390</u></u>	<u><u>100.0</u></u>	<u><u>77,164</u></u>	<u><u>100.0</u></u>

For the year ended 31 December 2015

	Main Contractor		Subcontractor	
	<i>HK'000</i>	%	<i>HK'000</i>	%
Contracting service	157,593	77.3	64,012	87.8
Consulting service	<u>46,329</u>	<u>22.7</u>	<u>8,891</u>	<u>12.2</u>
Total	<u><u>203,922</u></u>	<u><u>100.0</u></u>	<u><u>72,903</u></u>	<u><u>100.0</u></u>

For the year ended 31 December 2016

	Main Contractor		Subcontractor	
	<i>HK'000</i>	%	<i>HK'000</i>	%
Contracting service	306,010	85.4	27,362	73.1
Consulting service	<u>52,338</u>	<u>14.6</u>	<u>10,071</u>	<u>26.9</u>
Total	<u><u>358,348</u></u>	<u><u>100.0</u></u>	<u><u>37,433</u></u>	<u><u>100.0</u></u>

Set out below is the breakdown of the Group's revenue by acting as main contractor and subcontractor for the three years ended 31 December 2016:

	For the year ended 31 December					
	2014		2015		2016	
	<i>HK'000</i>	%	<i>HK'000</i>	%	<i>HK'000</i>	%
Main Contractor	122,390	61.3	203,922	73.7	358,348	90.5
Subcontractor	<u>77,164</u>	<u>38.7</u>	<u>72,903</u>	<u>26.3</u>	<u>37,433</u>	<u>9.5</u>
Total	<u>199,554</u>	<u>100.0</u>	<u>276,825</u>	<u>100.0</u>	<u>395,781</u>	<u>100.0</u>

The Group's revenue by acting as main contractor increased by approximately HK\$154.4 million, or approximately 75.7%, from approximately HK\$203.9 million for the year ended 31 December 2015 to approximately HK\$358.3 million for the year ended 31 December 2016. Such increase was mainly attributable to the increase in number of contracting projects acting as main contractor with large contract sum for the year ended 31 December 2016, which was enabled through the Group's strengthened cashflow position following the Placing in September 2015 which in turn enables the Group to undertake more sizeable projects.

Set out below is the breakdown of the Group's revenue by projects for private sector and public sector during the Track Record Period:

	For the year ended 31 December					
	2014		2015		2016	
	<i>HK'000</i>	%	<i>HK'000</i>	%	<i>HK'000</i>	%
Private sector	199,351	99.9	269,568	97.4	384,860	97.2
Public sector	<u>203</u>	<u>0.1</u>	<u>7,257</u>	<u>2.6</u>	<u>10,921</u>	<u>2.8</u>
Total	<u>199,554</u>	<u>100.0</u>	<u>276,825</u>	<u>100.0</u>	<u>395,781</u>	<u>100.0</u>

Projects undertaken by the Group

For each of the three years ended 31 December 2016, the Group had been awarded (i) 36, 38 and 44 new contracting projects, respectively; and (ii) 196, 196 and 253 new consulting projects, respectively.

Top five contracting projects with the highest revenue contribution to the Group

The following tables sets out the top five contracting projects with the highest revenue contribution to the Group for the three years ended 31 December 2016:

For the year ended 31 December 2014

Rank	Contracting project	Key scope of work	Contract award date	Completion date	Original contract sum (Approximately HK\$ million) (Note 2)	Revenue recognised for the year ended 31 December 2014 (Approximately HK\$ million)	Approximate % of the Group's total revenue for the year ended 31 December 2014
1	Contracting project A	Undertaking renovation work as a subcontractor	Aug 2014	Aug 2015	82.8	27.9	14.0%
2	Contracting project B	Undertaking term contract for minor works for hospitals managed by the Hospital Authority as a subcontractor	Oct 2012	Sept 2014	44.1	17.2	8.6%
3	Contracting project C	Undertaking foundation and excavation and lateral support work as a main contractor (Note 1)	Nov 2013	Dec 2014	14.9	15.3	7.7%
4	Contracting project D	Undertaking driven H-pile and excavation and lateral support works as a main contractor (Note 1)	May 2014	Mar 2015	19.8	11.1	5.6%
5	Contracting project E	Undertaking term contract for minor works for provision of barrier free access and facilities to hospitals and other premises managed by Hospital Authority as a subcontractor	Aug 2013	Feb 2017	16.0	11.0	5.5%

For the year ended 31 December 2015

Rank	Contracting project	Key scope of work	Contract award date	Completion date	Original contract sum (Approximately HK\$ million) (Note 2)	Revenue recognised for the year ended 31 December 2015 (Approximately HK\$ million)	Approximate % of total revenue for the year ended 31 December 2015
1	Contracting project A	Undertaking renovation work as a subcontractor	Aug 2014	Aug 2015	82.8	49.5	17.9%
2	Contracting project F	New building construction of a hotel as a main contractor	Feb 2015	Jan 2017	85.4	38.0	13.7%
3	Contracting project G	New building construction of a residential house as a main contractor	May 2014	Sept 2016	14.8	21.5	7.8%
4	Contracting project H	Undertaking renovation works as a main contractor	Jul 2015	Nov 2015	11.7	13.1	4.7%
5	Contracting project I	Undertaking fire safety improvement works as a main contractor	Dec 2014	Sep 2016	15.8	10.6	3.8%

For the year ended 31 December 2016

Rank	Contracting project	Key scope of work	Contract award date	Completion date/Expected completion date	Original contract sum (Approximately HK\$ million) (Note 2)	Revenue recognised for the year ended 31 December 2016 (Approximately HK\$ million)	Approximate % of total revenue for the year ended 31 December 2016
1	Contracting project J	Undertaking alteration and addition works of an industrial building to an office building as a main contractor	Dec 2015	Sept 2017	107.8	80.3	20.3%
2	Contracting project F	New building construction of a hotel as a main contractor	Feb 2015	Jan 2017	85.4	48.3	12.2%
3	Contracting project K	Undertaking renovation works of existing residential buildings to guesthouses	Jan 2016	May 2017 (Note 3)	47.2	45.6	11.5%
4	Contracting project L	Undertaking alteration and addition works as a main contractor	Oct 2016	Aug 2017	66.7	22.7	5.7%
5	Contracting project M	Undertaking alteration and addition works of an industrial building to workshop as a main contractor	Jul 2016	Nov 2017	134.3	19.5	4.9%

Note:

1. Driven H-pile and excavation and lateral support works relate to site works that require the registration of registered specialist contractor.
2. The original contract sum refers to the contract sum stated in the original contract, and does not reflect any adjustments made due to variation orders (if any) or adjustment in contract sum after the award of contract.
3. Such date refers to the site handover date of the project.

There was one material loss making contracting project during the Track Record Period, details of which is disclosed in the Prospectus. The project relates to the undertaking of a term contract with original contract term of 36 months from 1 October 2012 to 30 September 2015 for minor works for a hospital managed by the Hospital Authority. This term contract was terminated on 29 September 2014 as agreed between the Group and the customer. Neither the Company nor customer is subject to any compensation claim against each other for the early termination.

Save for the aforementioned project, the Group has not experienced any other projects with material cost overrun during the Track Record Period.

Recent development of the Group

The Group is a main contractor for alternation and addition works for the conversion of an industrial building to workshop in Ngau Tau Kok under contracting project M (the “**Project**”), being one of the top five contracting projects for the year ended 31 December 2016. On 15 May 2017, two employees (“**Injured Employees**”) of a subcontractor engaged by the Group, sustained non-life threatening injury while performing lift dismantling works in the work site under the Project (the “**Incident**”). The Group had notified the Labour Department in a timely manner and the relevant work had been temporarily suspended until completion of the investigation by the Labour Department and Electrical and Mechanical Services Department. As at the date of this announcement, the Incident is still under investigation by the Labour Department and Electrical and Mechanical Services Department. Application for the resumption of the suspended work was submitted to the Labour Department on 26 June 2017. The suspension notices were only specific to the lift dismantling works in the Incident. Neither other parts of the work site under the Project, nor other construction projects undertaken by the Group were covered by the suspension notices. And thus, the Directors expect that there will be no material impact to the business operation in relation to the Incident.

The Group had also notified the insurer of the Incident and the case is acknowledged by the insurance company in a timely manner. To the best knowledge of the Directors, the Injured Employees have not yet filed any claims or commenced any legal proceedings against the Group. As advised by the legal counsel to the Company, (i) the Company was properly insured by the insurer under a valid insurance policy at the material times of the Incident; (ii) the insurer is liable to indemnify the Company in respect of its liability to the employees of its subcontractors; (iii) the employees' compensation claim and/or personal injuries claim arising out of the Incident do not fall within the exceptions set out in the insurance policy and schedule to the insurance policy; and (iv) the Company is entitled to a full indemnity (subject to the payment of excess) from the insurer under the employee's compensation insurance policy for any such claims by the Injured Employees or any of them arising out of the Incident. Based on the view of the Hong Kong legal counsel, the Directors consider that there will not be any material adverse impacts on the financial of the Company due to the claims by the Injured Employees arising out of the Incident.

As confirmed by the Company, the original contract sum of the Project is approximately HK\$134.3 million. As at 31 May 2017, revenue not yet recognised by the Group under the Project is approximately HK\$89.3 million. The contract value of the relevant works under suspension amounted to approximately HK\$3.2 million, representing only approximately 2.4% of the original contract sum of the Project or approximately 3.6% of the remaining revenue expected to be recognized from the Project as at 31 May 2017. In accordance with the agreement terms of the Project, the liquidated damages for project delay shall be HK\$3,000 per day. If the relevant works of the Project continue to be suspended, the Group's financial conditions and business operations might be adversely affected. Please refer to the paragraph headed "Principal risks and uncertainties — The Group may incur penalties and additional costs caused by project delay, which may in turn, affect the payments schedule and adversely impact the Group's business and reputation" in this announcement for details on the risk factor relating to project delay.

As advised by the Directors, the relevant part of the Project consists of (i) dismantling of existing lifts; and (ii) installation of new lifts, and the remaining lift dismantling works is estimated to take three more working days, while the original schedule of new lift installation is expected to take place in August 2017 upon the delivery of the lifts. Other works under the Project are not affected by the suspension notice and can be carried out normally, and as confirmed by the Directors, the project is required to finish on or before late November 2017. The Directors expect that the relevant lift dismantling works shall be resumed by the Labour Department in July 2017 and expect that there would not be delay to the progress of the Project.

Based on the foregoing, the Directors consider that the Incident would not have any material adverse impact to the operation and financial position of the Group.

Top five consulting projects with the highest revenue contribution to the Group

The following tables sets out the top five consulting projects with the highest revenue contribution to the Group for the three years ended 31 December 2016:

For the year ended 31 December 2014

Rank	Consulting project	Key scope of work	Contract award date	Completion date/Expected completion date	Original contract sum (Approximately HK\$ million) (Note 1)	Revenue recognised for the year ended 31 December 2014 (Approximately HK\$ million)	Approximate % of the Group's total revenue for the year ended 31 December 2014
1	Consulting project A	Provision of Authorized Person services to maximize the development potential	Nov 2014	Mar 2018	7.4	3.7	1.8%
2	Consulting project B	Provision of consulting services for the design and construction of minor works	Aug 2013	Mar 2017	9.0	3.2	1.6%
3	Consulting project C	Provision of Authorized Person services and other consulting services for alteration and addition works for investment properties	Dec 2013	Sept 2017	18.0	2.5	1.3%
4	Consulting project D	Undertaking term contract for checker and surveying services	Apr 2010	July 2014 (Note 2)	14.1	1.8	0.9%
5	Consulting project E	Provision of Authorized Person services for redevelopment of property	July 2013	Sept 2017	3.5	1.4	0.7%

For the year ended 31 December 2015

Rank	Consulting project	Key scope of work	Contract award date	Completion date/Expected completion date	Original contract sum (Approximately HK\$ million) (Note 1)	Revenue recognised for the year ended 31 December 2015 (Approximately HK\$ million)	Approximate % of the Group's total revenue for the year ended 31 December 2015
1	Consulting project F	Provision of supervision service on a construction work	Mar 2015	May 2018	17.9	7.2	2.6%
2	Consulting project G	Provision of Authorized Person services and project management for the wholesale conversion of an industrial building	Dec 2015	Sept 2017	8.2	6.6	2.4%
3	Consulting project C	Provision of Authorized Person services and other consulting services for alteration and addition works for investment properties	Dec 2013	Sept 2017	18.0	5.5	2.0%
4	Consulting project A	Provision of Authorized Person services to maximize the development potential	Nov 2014	Mar 2018	7.4	2.9	1.0%
5	Consulting project H	Submission of fire safety improvement proposals to Buildings Department and onward project management for the implementation of works included in the proposals	May 2015	May 2020	26.3	2.9	1.0%

For the year ended 31 December 2016

Rank	Consulting project	Key scope of work	Contract award date	Completion date/Expected completion date	Original contract sum <i>(Approximately HK\$ million) (Note 1)</i>	Revenue recognised for the year ended 31 December 2016 <i>(Approximately HK\$ million)</i>	Approximate % of the Group's total revenue for the year ended 31 December 2016
1	Consulting project C	Provision of Authorized Person services and other consulting services for alteration and addition works for investment properties	Dec 2013	Sept 2017	18.0	9.0	2.3%
2	Consulting project F	Provision of supervision service on a construction work	Mar 2015	May 2018	17.9	8.9	2.2%
3	Consulting project H	Submission of fire safety improvement proposals to Buildings Department and onward project management for the implementation of works included in the proposals	May 2015	May 2020	26.3	3.9	1.0%
4	Consulting project I	Provision of a professional checker team for site works and related documents	Mar 2014	Mar 2017	5.2	1.7	0.4%
5	Consulting project J	Provision of a professional checker team for site works and related documents	Mar 2014	Mar 2017	5.2	1.7	0.4%

Note:

1. The original contract sum refers to the contract sum stated in the original contract, and does not reflect any adjustments made due to variation orders (if any) or adjustment in contract sum after the award of contract.
2. Such date refers to the site work completion date of the project.

Project on hand

As at the Latest Practicable Date, the Group had a total of 252 projects on hand (including projects that have commenced but not completed and projects that have been awarded to the Group but not yet commenced). The following table sets out a breakdown of such projects on hand by business segment:

	Number of projects on hand	Aggregated original contract sum of all projects on hand <i>HK\$'000</i>	Corresponding amount of revenue recognised up to the Latest Practicable Date <i>HK\$'000</i>	Corresponding amount of revenue expected to be recognised after the Latest Practicable Date and up to 31 December 2017 <i>HK\$'000</i>	Corresponding amount of revenue expected to be recognised after 31 December 2017 <i>(Note)</i> <i>HK\$'000</i>
Contracting projects	31	1,073,699	500,714	461,874	111,111
Consulting projects	<u>221</u>	<u>226,951</u>	<u>120,680</u>	<u>55,846</u>	<u>50,425</u>
Total	<u><u>252</u></u>	<u><u>1,300,650</u></u>	<u><u>621,394</u></u>	<u><u>517,720</u></u>	<u><u>161,536</u></u>

Note: The contract sum of all projects on hand is based on the aggregate contract sum of each project as stated in the respective contract plus variation orders issued prior to the Latest Practicable Date. Corresponding amount of revenue expected to be recognised after 31 December 2017 is calculated by subtracting the corresponding amount of revenue recognised up to the Latest Practicable Date and corresponding amount of revenue expected to be recognised after the Latest Practicable Date and up to 31 December 2017 from aggregated original contract sum of all projects on hand.

The following table sets out the movement of the number of projects undertaken by the Group for the three years ended 31 December 2016 and from 1 January 2017 to the Latest Practicable Date:

	For the year ended 31 December			From 1
	2014	2015	2016	January 2017
				to the Latest
				Practicable
				Date
Opening number of projects <i>(Note 1)</i>				
Contracting service	13	19	24	24
Consulting service	122	148	169	190
Number of new projects <i>(Note 2)</i>				
Contracting service	36	38	44	16
Consulting service	196	196	253	106
Number of completed projects <i>(Note 3)</i>				
Contracting service	30	33	44	9
Consulting service	170	175	232	75
Closing number of projects <i>(Note 4)</i>				
Contracting service	19	24	24	31
Consulting service	148	169	190	221

Notes:

1. Opening number of projects means the number of awarded projects which were not completed as of the beginning of the relevant year/period indicated.
2. Number of new projects means the number of new projects awarded to the Group during the relevant year/period.
3. Number of completed projects means the number of projects (i) where the certificates of practical completion have been issued by the consultant or architect appointed by the Group's customers; or (ii) the Group has agreed with the customers on practical completion by exchange of correspondence; or (iii) the Group has handed over the project site to the customers during the relevant year/period indicated.
4. Closing number of projects refers to projects with engagement confirmed and not yet completed as at the end of the relevant year/period indicated.

Project tendering success rate

All of the Group's new businesses were obtained through direct invitation for tender or quotation by customers, which is considered by the Directors to be contributable to its track record, relevant experiences and professional reputation in the contracting and consulting industry in Hong Kong.

Set out below is a table of the number of tenders and quotations submitted and the success rate in attaining engagement for projects tendered and quoted for each of the three years ended 31 December 2016 and from 1 January 2017 to the Latest Practicable Date:

	For the year ended 31 December			From 1 January 2017 to the Latest Practicable Date
	2014	2015	2016	
Contracting service				
Number of tenders and quotations sent (A)	128	206	248	88
Number of projects with engagement confirmed (B)	36	38	44	16
Approximate success rate (B/A) (Note)	28%	18%	18%	18%
Consulting service				
Number of tenders and quotations sent (C)	445	442	599	267
Number of projects with engagement confirmed (D)	196	196	253	106
Approximate success rate (D/C) (Note)	44%	44%	42%	40%
Combined success rate of contracting and consulting services (B+D)/(A+C)	40%	36%	35%	34%

Note: Success rate is calculated as to the number of projects with engagement confirmed during the year/period divided by the number of tenders and quotations sent to customers during the respective year/period.

For the year ended 31 December 2015, the success rate of contracting services dropped to approximately 18% from approximately 28% for the year ended 31 December 2014. It was mainly due to the fact that the Group had been less aggressive in submitting competitive tenders after committing most of the resources in the large-scale projects in progress during the year ended 31 December 2015. Nevertheless, the Group generally keeps on submitting tenders to maintain its presence in the market and keeps the Group updated on the latest market requirements and pricings. As a result, the Group had recorded a relatively low tender success rate in contracting services during the year ended 31 December 2015 as compared with the year ended 31 December 2014 as set out in the table above. The success rate of contracting service remained stable for the year ended 31 December 2016.

The success rate of the consulting services remains stable for the three years ended 31 December 2016. The reason for the decreasing trend of the combined success rate for contracting and consulting services is similar to that of contracting services as mentioned above. There is no material fluctuation in the Group's tender success rate up to the Latest Practicable Date.

As at the Latest Practicable Date, the results of 155 tenders submitted or quoted by the Group were still pending, of which 33 tenders were contracting project and 122 tenders were consulting project.

As mentioned above, it is the Group's tender strategy to keep on submitting tenders to maintain its presence in the market and keep the Group updated on the latest market requirements and pricing, which are considered to be useful in preparing similar tenders in the future.

BUSINESS OUTLOOK AND DEVELOPMENT

The Directors expect that while there are certain factors affecting the construction industry in Hong Kong such as (i) the intense competition in the market; (ii) continuously rising construction labour and material costs; and (iii) the increase in the staff costs and the shortage of the professional may exert pressure on the Group's business, the overall market condition of the construction industry in Hong Kong is relatively stable with steady growth.

The Directors expect that the Group will continue to further develop the contracting and consulting business by undertaking more projects for alteration and addition works to maintain healthy revenue stream of the Group and further strengthen the in-house team of professional staff in order to maintain the competitive edge of the Group over the competitors in the industry. The Group's qualified and experienced staff, including Authorized Persons, authorized signatory, surveyors and engineers, can cope with the Group business development for both contracting and consulting services by undertaking projects of larger scale and of higher complexity.

Looking forward, the Group plans to explore new contracting opportunities in public sector as a main contractor by directly bidding for projects tendered by the Government. On 19 May 2017, the Group submitted the application to the Development Bureau to apply for inclusion in the List of approved contractors for public works Group A under the buildings category (the "List") with tender limit for contracts of value up to HK\$100 million. In respect of the legal impediment to the application, the Group has sought legal advice from the legal adviser to the Company. As advised by legal adviser to the Company, (i) the application of the said licence should be able to satisfy the Development Bureau on the financial criteria as a contractor to be listed under Group A of the List as set out in the Contractor Management Handbook (承建商管理手冊) published by the Development Bureau; (ii) the application of the said licence should also be able to satisfy the Development Bureau on the technical and management criteria as a contractor to be listed under Group A of the List; and (iii) although placing an applicant in the List is a commercial decision of the Government and such decision is not amenable judicial review, there is no circumstances that the Development Bureau would refuse to issue the said licence if the all requirements are met. In light of the foregoing, there is no legal

impediment to the Group in the above application. As advised by the Directors, subject to the provision of completion and adequate information, the application for the said licence is generally processed in three months or above.

According to The 2017–18 Budget announced by the Financial Secretary of Hong Kong in February 2017, the estimated annual capital works expenditure on public sector projects has slightly increased by approximately 0.7% to approximately HK\$86.8 billion for investing in infrastructure in 2017–18 as compared to the revised estimated expenditure of previous financial year. Having considered that there is stable growth in the public sector and that the undertaking of public sector projects can widen its current business area to enhance the Group's source of income, the Directors are of view that it would be beneficial to explore new contracting opportunities in the public sector.

The Directors also consider that (i) the Group has ample experience in providing one-stop solution to customers in both contracting and consulting services; (ii) the Group had track record in undertaking public sector projects in the Track Record Period; and (iii) the Group's management team has extensive knowledge and experience in the execution of contracting and consulting services for both public and private sector projects in Hong Kong. As such, the Directors are of view that the Group has the competitive strength in undertaking contracting and consulting projects in the public sector.

Subject to the inclusion in the List, the Group intends to undertake public sector projects that involve alteration and addition works, maintenance works and new building works, which would be similar to the contacting projects for private sector undertaken by the Group. As such, it is expected that there would be no material deviation in the cost structure as well as operating working capital requirement on the Group between public sector projects and private sector projects.

For the pricing of public sector projects as part of the formulation of the tender documents, the Group would adopt pricing approach similar to the pricing of its private sector projects, of which factors considered include (i) the complexity of site works or design work involved (as the case may be); (ii) the estimated amount of time and materials required and personnel to be involved; (iii) the payment term specified in the tender invitation documents, (iv) reference price of similar projects completed by the Group before; and (v) any risk leading to extension of service period or additional manpower. Through such pricing strategy, the Directors expect the gross profit margin of the public sector projects successfully bidden in tender would be similar to that of its private sector projects.

In order to achieve market penetration by way of offering a more competitive pricing to its customer, the management of the Group expects that the gross profit margin would decrease for the year ending 31 December 2017 as compared to the year ended 31 December 2016.

LICENCES AND PERMITS

As at the date of this announcement, the Group and the Directors have the following registrations and licences that are material to the business operations of the Group in Hong Kong:

Registration/licences	Governing authority	Holder	Date of first registration/grant	Expiry date
Registered general building contractor	Building Department	Win Lee Building Engineering Limited (“ Win Lee Building ”)	23 June 2009 (<i>Note 1</i>)	22 June 2018
		Fruit Design & Build Limited (“ Fruit Design ”)	23 September 2014	5 September 2017 (<i>Note 2</i>)
Registered specialist contractor (demolition)	Building Department	Win Lee Building	11 September 2008 (<i>Note 1</i>)	12 September 2017 (<i>Note 2</i>)
Registered specialist contractor (site formation)	Building Department	Win Lee Building	5 December 2014	14 November 2017 (<i>Note 2</i>)
Authorized Person (Surveyor)	Building Department	1. Mr. Ng Kin Siu (“ Mr. Ng ”)	7 December 2007	6 December 2017 (<i>Note 2</i>)
		2. Mr. Lai Pak Wei (“ Mr. Lai ”)	30 March 2015	27 March 2020
Registered electrical contractor	Electrical and Mechanical Services Department	1. Win Lee Building	20 September 2016	19 September 2019
		2. Fruit Design	25 July 2012	24 July 2018
Registered subcontractor	Construction Industry Council	1. Win Lee Building	23 January 2017	22 January 2019
		2. Fruit Design	23 January 2017	22 January 2019

Notes:

1. Win Lee Building was a registered general building contractor and registered specialist contractor (demolition) at the time of the acquisition by Mr. Ng in January 2008, which were subsequently renewed on 23 June 2009 and 11 September 2008 respectively.
2. Pursuant to section 8C(2)(c) of the Buildings Ordinance, a registered contractor should apply to the Buildings Department for renewal of registration not earlier than four months and not later than 28 days prior to the date of expiry of the registration.

The Directors intend to make applications for renewals of registrations within four months, and not later than 28 days of expiry of the relevant registrations, which are expected to be in the third quarter of 2017.

MAJOR CUSTOMERS AND SUPPLIERS

Customers

Customers of the Group's contracting service mainly include landlords/property developers and main contractors who contract all or part of the works to other subcontractors, such as the Group, while customers of the Group's consulting service mainly include (i) for Authorized Person services, landlord/property developer and main contractor; and (ii) for licensing services, business operators of restaurants, food and beverage outlet, food factories, etc. who require licensing for their business premises with layout design complied with the applicable laws and regulations.

For the three years ended 31 December 2016, the percentage of revenue for the year attributable to the Group's top five customers were approximately 59.5%, 53.0% and 55.2%, respectively. Revenue attributable to the Group's largest customer to the Group's revenue accounted for approximately 18.8%, 18.3% and 20.7% for each of the three years ended 31 December 2016, respectively.

Suppliers

For the three years ended 31 December 2016, the percentage of cost of services for the year attributable to the Group's top five suppliers were approximately 34.2%, 29.2% and 28.8%, respectively. The percentage of cost of services attributable to the Group's largest supplier for the three years 31 December 2016 amounted to approximately 10.6%, 8.9% and 13.1%, respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group relies on the contracts granted by the private sector, and the Group's business, results of operations and profitability may be adversely affected if the Group fails to secure contracts from the private sector or there is any significant reduction of such contracts in the future

During the three years ended 31 December 2016, the customer base of the Group was concentrated in private sector as revenue generated from the private sector represented 99.9%, 97.4 and 97.2%, respectively of the Group's total revenue for the three years ended 31 December 2016. Customers from the private sector are not obligated in any way to continue to provide the Group with new businesses in the future at a level similar to that in the past or at all. If any customers were to substantially reduce the volume of works and/or the value of new contracts to the Group or to terminate the business relationship with the Group entirely, there is no assurance that the Group would be able to secure new businesses from other customers for replacement, if any, would be on commercially comparable terms. As such, the Group's operations and financial performance may be adversely affected.

Revenue is mainly derived from projects which are not recurring in nature and any significant decrease in the number of projects would affect the Group's operations and financial results

The Group's revenue during the three years ended 31 December 2016 was derived from undertaking (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 service, and architectural design for building in Hong Kong. The engagement with customers was on a project basis and non-recurring in nature. The Group did not enter into any long-term agreement or master service agreement with customers as at the date of this announcement. After completion of the projects, customers are not obligated to engage the Group again in subsequent projects, and the Group has to undergo the tendering process for every new project. There is no assurance that the Group's existing customers will award new projects to the Group, nor can the Group guarantee that the Group would be able to maintain the business relationships with existing customers. In the event that the Group is unable to attract new customers or secure new projects from existing customers, there may be a significant decrease in the Group's revenue and operations and financial results would hence be adversely affected.

The Group's business is labour-intensive. If the Group or its subcontractors experience any shortage of labour, industrial actions, strikes or material increase in labour costs, the Group's operations and financial results would be adversely affected

Construction works are labour-intensive in nature. During the three years ended 31 December 2016, the Group and its subcontractors did not experience any material shortage of labour, industrial actions, strikes or material increase in labour costs. However, there is no assurance that the Group will not experience these problems in the future when the peak load of construction activities is ongoing. In the event that there is a significant increase in the costs and demand of labour and the Group has to retain its labour by increasing their wages, its staff cost and/or subcontracting cost will increase and thus lower its profitability. On the other hand, if the Group or its subcontractors fail to retain existing labour and/or recruit sufficient labour in a timely manner to cope with existing or future projects, the Group or its subcontractors may not be able to complete projects on schedule and within budget, the Group's operations and profitability may be adversely affected.

The Group may achieve lower-than-expected profits on the projects and even incur losses if it fails to accurately estimate and control the project costs or rectifications for material defective works are required during the defect liability period of the projects

Most of the Group's turnover is derived from fixed-price contracts, with prices being determined by reference to the Group's tender submissions or quotations and substantially agreed to at the time a contract is awarded. The Group needs to estimate the time and costs involved in a project in order to determine the tender price/quotation. Particularly, contracting projects are labour-intensive in general and labour cost is one of the major components of the project costs. However, the Group may fail to accurately estimate the costs to complete a project. The actual amount of total costs incurred in completing a project may be adversely affected by many factors, including adverse weather conditions, accidents, unforeseen site conditions and fluctuations in the price of raw materials, which may result in

material deviation in the actual time and resources spent from initial estimation. For details in relation to the loss making project, please refer to the paragraph headed “Principal activities of the Group — Projects undertaken by the Group” in this announcement.

For contracting service, a defect liability period, which is generally 12 months from the date of the certificate of practical completion, is usually imposed by the Group’s customers. During the defect liability period, the Group is responsible for, at its own expense, rectifying any defects of works carried out by the Group. Any rectifications for material defects carried out by the Group could lead to additional costs being incurred, which may result in a cost overrun, and thus the profitability of the projects may be reduced or the Group may even incur losses on the projects.

If the costs for a project exceed the contracted price or the Group has to carry out any rectifications for material defects during the defect liability period of the projects, the Group may incur losses, which could materially and adversely affect the Group’s financial condition and results of operations.

The Group may incur penalties and additional costs caused by project delay, which may in turn, affect the payments schedule and adversely impact the Group’s business and reputation

The Group is typically required to complete each project according to a fixed schedule as stated in the relevant contracts. However, projects may be delayed due to various factors that are beyond the Group’s control, including weather conditions, availability of sufficient labour force, regulatory approval processes, government requirements, construction risk such as fire and the suspension of water and electricity supplies, and other factors. If the Group fails to timely complete a project in breach of the contractual obligations, it may be liable to compensate the client for losses or damages caused by the delay. Any delay in the completion of a project, whether or not caused by the Group, could also lead to additional costs being incurred, including costs to hire additional manpower as the Group may have to subsequently accelerate work progress in order to catch up to meet the scheduled time for completion. As the Group typically receives payment in stages based on project progress, any delay in the course of a project may postpone the receipt of anticipated payments which could have a material adverse effect on the Group’s cashflow position. Moreover, any failure on the Group’s part to complete a project on time could harm the Group’s reputation in the industry and affect the Group’s tenders for future contracts. As a result, the Group’s reputation, business and financial condition could be materially and adversely affected.

LEGAL COMPLIANCE

The Directors confirm that the Group has complied with laws and regulations in all material respects for its business during the three years ended 31 December 2016 and up to the date of this announcement.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each Director and senior management:

Executive Directors

Mr. Ng Kin Siu (“**Mr. Ng**”), aged 50, is the founder of the Group. He is the chairman of the Board, an executive Director and the compliance officer of the Company and is responsible for the overall business development and strategic planning of the Group. He was appointed as an executive Director on 19 March 2015. He was also appointed as directors of the majority of the Company’s subsidiaries during the Track Record Period and up to the date of this announcement.

He graduated from The Robert Gordon University in the United Kingdom in June 1993 with a degree of Bachelor of Science in building surveying. He has been a member of The Hong Kong Institute of Surveyors since March 1997, a member of The Royal Institution of Chartered Surveyors since December 1996 and registered as a registered professional surveyor with the Surveyors Registration Board in July 1999. He has been an Authorized Person since December 2007 and a registered inspector in Hong Kong since 3 October 2012. He has also been the technical director for Win Lee Building’s registration of registered general building contractor and registered specialist contractor (demolition) since June 2009 and May 2009, respectively.

He has extensive experience with building surveying and is familiar with the Buildings Ordinance in Hong Kong. Prior to founding the Group, he had been working in the Buildings Department from April 1997 to March 2008, with last position being held as a building surveyor.

Save as disclosed above, as at the date of this announcement, Mr. Ng is deemed to be interested in 924,000,000 Shares held through his 100% equity interest in Masterveyor Holdings Limited (representing 75% of the issued share capital of the Company) under the SFO. Mr. Ng is an executive Director, the chairman of the Company and the sole director of Masterveyor Holdings Limited.

Save as disclosed above, as at the date of this announcement, Mr. Ng (i) does not have any interest in the Shares within the meaning of Part XV of the SFO; (ii) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (iii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the service contract entered into between the Company and Mr. Ng, Mr. Ng is appointed for an initial term of three years commencing from 30 September 2015, unless terminated by either party giving at least three months’ notice in writing in accordance with the terms of the service agreement. He is entitled to fixed salary of HK\$3,300,000 per annum, comprising (i) basic salaries; and (ii) provision of accommodation, which is determined with reference to the performance of his duties.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Chung Yuk Ming, Christopher (“**Mr. Chung**”), aged 44, was appointed as an executive Director on 9 August 2016, and is also the project director of the Group who is responsible for organising, managing and supervising contracting projects. Mr. Chung joined the Group in September 2014. He obtained a degree of Bachelor of Science in Building Surveying from City University of Hong Kong in November 1995, a degree of Master of Science in Urban Planning from the University of Hong Kong in December 1999 and a degree of Bachelor of Laws from the Manchester Metropolitan University (a distance learning course) in July 2006. He has been a registered construction manager of Hong Kong Institute of Construction Manager in February 2016, a member of the Hong Kong Institute of Directors in October 2015, a professional member of the Royal Institution of Chartered Surveyors since August 2015, member of the Royal Town Planning Institute since January 2009 and a member of Hong Kong Institute of Construction Manager since August 2005. He has been the authorized signatory for registration of registered general building contractor of Fruit Design since September 2015. Mr. Chung has over 20 years of experience in the construction industry. Prior to joining the Group, he worked in China International Fund Limited from April 2007 to August 2010 and from October 2012 to March 2014 with the last position as a head of project and Penta Ocean Construction Co. Ltd from August 1995 to July 2005 with the last position as a construction manager. Mr. Chung was also appointed on 10 September 2015 as an independent non-executive director of Lap Kei Engineering (Holdings) Limited (stock code: 8369).

Save as disclosed above, as at the date of this announcement, Mr. Chung (i) does not have any interest in the Shares within the meaning of Part XV of the SFO; (ii) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (iii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the service agreement entered into between the Company and Mr. Chung, Mr. Chung was appointed for an initial term of three years commencing from 9 August 2016, unless terminated by either party giving at least three months’ notice in writing in accordance with the terms of the service agreement. Mr. Chung is entitled to a basic salary of HK\$1,200,000 per annum, which is determined by the Board with the recommendation of the remuneration committee of the Board with reference to the prevailing market situation and his duties and responsibilities with the Company.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Lai Pak Wei, (“**Mr. Lai**”), aged 46, was appointed as an executive Director on 15 May 2015, responsible for supervising the building consultancy service business of the Group and overseeing the administration of the Group’s business operations. He joined the Group as an assistant director of Fruit Design on 13 August 2012, which is one of the Group’s principal subsidiaries engaged in contracting business and provision of building consultancy services,

and thus he has been a member of the Group's senior management since then. He was also appointed as a director of Fruit Design and Harvest Building Consultancy Limited on 19 February 2014 and 3 April 2014, respectively.

He graduated from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a degree of Bachelor of Science in building surveying in October 1992, and obtained a degree of Master of Science in construction and real estate from The Hong Kong Polytechnic University in October 2012. He also received a Postgraduate Certificate in Building Engineering from School of Professional and Continuing Education of The University of Hong Kong in April 2014. He has been admitted as a member of The Hong Kong Institute of Surveyors in July 2013, a professional member of The Royal Institution of Chartered Surveyors in November 2011, a member of the Chartered Institute of Building in October 2012, a member of the Chartered Institute of Arbitrators in January 2013 and a registered professional surveyor with the Surveyors Registration Board in October 2014. He has been an Authorized Person since 30 March 2015 and a registered inspector since 31 December 2015. He has also been approved by the Building Authority to act as the technical director for Fruit Design's registration of registered general building contractor in September 2014.

He has over 20 years of experience in the construction industry. Prior to joining the Group, he worked in Dennis Lau & Ng Chun Man Architects & Engineers (H.K.) Limited from February 1993 to May 1997 where he served as an assistant building surveyor, Shun Tak Properties Limited as a project assistant from December 1997 to January 2000 and AEON Stores (Hong Kong) Co., Limited from April 2002 to August 2012, with last position being held as a project manager.

Save as disclosed above, as at the date of this announcement, Mr. Lai (i) does not have any interest in the Shares within the meaning of Part XV of the SFO; (ii) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (iii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the service contract entered into between the Company and Mr. Lai, Mr. Lai was appointed for an initial term of three years commencing from 30 September 2015, unless terminated by either party giving at least three months' notice in writing in accordance with the terms of the service agreement. He is entitled to basic salary of HK\$1,200,000 per annum, which is determined with reference to the performance of his duties.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Independent non-executive Directors

Mr. Chan Chun Hong, aged 43, was appointed as an independent non-executive Director on 16 September 2015. He graduated from The Hong Kong University of Science and Technology with a bachelor's degree in Business Administration in Finance in November 1996. He has been a fellow of the Association of Chartered Certified Accountants since October 2006, a CFA Charterholder since September 2004 and a fellow member of the Hong Kong Institute of Directors since March 2015. Currently, he serves as the chairman of

Graval Consulting Limited and is responsible for provide the valuation and business consultancy services. He has been an independent non-executive director of Astrum Financial Holdings Limited (stock code: 8333) since 23 June 2016.

As at the date of this announcement, he does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, he (i) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (ii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the letter of appointment entered into between the Company and Mr. Chan Chun Hong, he was appointed for a term of three years commencing on 16 September 2015 unless terminated by either party giving at least three months' notice in writing in accordance with the terms of the service agreement. He is entitled to a director's fee of HK\$150,000 per year, which is determined with reference to his working experience, background, duties and responsibilities with the Group and the prevailing market conditions.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Chan Kai Nang, aged 71, appointed as an independent non-executive Director of the Company on 16 September 2015, received a Diploma in Management Studies from The University of Hong Kong in July 1976 and a degree of Bachelor of Laws from the University of London (a distance learning course) in August 1990. He has been an associate of The Institute of Cost and Management Accountants (now known as the Chartered Institute of Management Accountants) in the UK since June 1972 and The Hong Kong Institute of Certified Public Accountants since February 1973 and a fellow of The Association of Certified Accountants (now known as the Association of Chartered Certified Accountants) in the UK since December 1982. He was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited) (stock code: 27) from 14 January 2003 to 1 May 2008. He was also appointed as an independent non-executive director of ZZ Capital International Limited (formerly known as Asian Capital Holdings Limited (stock code: 8295)) from 4 June 2010 to 18 June 2016, Prosperity International Holdings (H.K.) Limited (stock code: 803) since 17 August 2010, Soundwill Holdings Limited (stock code: 878) since 11 March 2009 and Steed Oriental (Holdings) Company Limited (stock code: 8277) from 16 September 2013 to 12 August 2016. He also appointed as an independent non-executive directors of PanAsialum Holdings Company Limited (stock code: 2078) since 24 February 2017.

As at the date of this announcement, he does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, he (i) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (ii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the letter of appointment entered into between the Company and Mr. Chan Kai Nang, he was appointed for a term of three years commencing on 16 September 2015 unless terminated by either party giving at least three months' notice in writing in accordance with the terms of the service agreement. He is entitled to a director's fee of HK\$150,000 per year, which is determined with reference to his working experience, background, duties and responsibilities with the Group and the prevailing market conditions.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Mr. Lau Yiu Kit (“**Mr. Lau**”), aged 57, was appointed as an independent non-executive Director of the Company on 16 September 2015. He is a sole proprietor and founder of Albert Y.K. Lau & Co., a firm of Certified Public Accountants. He has been a member of the Hong Kong Society of Accountants (now known as Hong Kong Institute of Certified Public Accountants) since January 1989, an associate of the Chartered Association of Certified Accountants (now known as the Association of Chartered Certified Accountants) since October 1987, the Institute of Chartered Accountants in England and Wales since October 2007 and the Taxation Institute of Hong Kong since June 1991. He has been an independent non-executive director of Primeview Holdings Limited (formerly known as Artini China Co. Ltd.) (stock code: 0789) since 1 December 2010. He was also an independent non-executive director of Titan Petrochemicals Group Limited (stock code: 1192) from 23 March 2015 to 30 September 2015.

As at the date of this announcement, Mr. Lau does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Lau (i) has not held any other position with the Group and has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (ii) has no relationships with any Directors, senior management or substantial or Controlling Shareholders of the Company.

Pursuant to the letter of appointment entered into between the Company and Mr. Lau, Mr. Lau was appointed for a term of three years commencing on 16 September 2015 unless terminated by either party giving at least three months' notice in writing in accordance with the terms of the service agreement. Mr. Lau is entitled to a director's fee of HK\$150,000 per year, which is determined by the Board with reference to market rates, his performance, qualifications and experience.

Save as disclosed above, there is no other information which needs to be brought to the attention of the Shareholders or is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Main Board Listing Rules.

Senior Management

Mr. Ip Kong Ling (“**Mr. Ip**”), aged 42, is the project manager of the Group who is responsible for the overall operation of the Group’s project management business and management of site work. Mr. Ip joined the Group in May 2009. He obtained a degree of Bachelor of Science in Facilities Management (Top Up) from University of Central Lancashire (a distance learning course) in December 2007. Mr. Ip has over 15 years of experience in the construction industry. Prior to joining the Group, he worked in Cheung Kong Centre Property Management Limited from May 1999 to May 2009 and his last position was an engineer in technical services department. He is also a director of Solomon Consulting & Contracting Limited. Mr. Ip has not held any directorship in other listed companies in the past three years.

Company Secretary

Mr. Yu Tsz Ngo (“**Mr. Yu**”), aged 31, was appointed as a company secretary on 15 May 2015. Mr. Yu is responsible for overseeing the company secretarial matters and the accounting function of the Group. Mr. Yu has over eight years of experience in the accounting and auditing industry. He worked at Deloitte Touche Tohmatsu in Hong Kong from January 2007 to February 2012 and his last position was a manager in the audit department. Mr. Yu also worked at Pompei Limited, a retail business company, from April 2012 to March 2015 and his last position was a financial controller. Mr. Yu obtained a degree of Bachelor of Commerce (Accounting and Finance) from Monash University of Australia in December 2005 and a master degree of Applied Finance from Monash University of Australia in December 2006. He has been a member of the Certified Public Accountants Australia since January 2006, the Hong Kong Institute of Certified Public Accountants since July 2011 and the Chartered Institute of Management Accountants since May 2014. Mr. Yu has not held any directorship in other listed companies in the past three years.

FINANCIAL INFORMATION OF THE GROUP

The table below sets forth the selected information of the Group's audited consolidated financial statements for the three years ended 31 December 2016:

	For the year ended 31 December		
	2014	2015	2016
	HK\$'000	HK\$'000	HK\$'000
Revenue	199,554	276,825	395,781
Cost of sales	<u>(160,490)</u>	<u>(228,665)</u>	<u>(329,300)</u>
Gross profit	39,064	48,160	66,481
Other income	693	176	38
Other losses	(2,562)	(21)	(326)
Listing expenses	–	(10,094)	–
Administrative expenses	(12,359)	(17,019)	(27,913)
Financial cost	<u>(1,622)</u>	<u>(1,366)</u>	<u>(613)</u>
Profit before tax	23,214	19,836	37,667
Income tax expense	<u>(4,094)</u>	<u>(4,519)</u>	<u>(6,493)</u>
Profit and total comprehensive income for the year	<u><u>19,120</u></u>	<u><u>15,317</u></u>	<u><u>31,174</u></u>

Revenue

Set out below is the breakdown of the Group's revenue for the three years ended 31 December 2016:

	For the year ended 31 December					
	2014		2015		2016	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Contracting service	158,140	79.2	221,605	80.1	333,372	84.2
Consulting service	<u>41,414</u>	<u>20.8</u>	<u>55,220</u>	<u>19.9</u>	<u>62,409</u>	<u>15.8</u>
Total	<u><u>199,554</u></u>	<u><u>100.0</u></u>	<u><u>276,825</u></u>	<u><u>100.0</u></u>	<u><u>395,781</u></u>	<u><u>100.0</u></u>

The Group's revenue for the year ended 31 December 2015 was approximately HK\$276.8 million (2014: approximately HK\$199.6 million), representing an increase of approximately HK\$77.2 million or 38.7% as compared to the year ended 31 December 2014. Such increase was mainly attributable to (i) the increase in revenue generated from the top three contracting projects which contributed revenue of approximately HK\$109.0 million for the year ended 31 December 2015 as compared with approximately HK\$60.4 million for the year ended 31 December 2014; and (ii) the increase in number of consulting projects with revenue contribution for the year ended 31 December 2015. For further details, please refer to the table under section headed "Projects undertaken by the Group" in this announcement.

For the year ended 31 December 2016, the Group's revenue amounted to approximately HK\$395.8 million (2015: approximately HK\$276.8 million), representing an increase of approximately HK\$119.0 million or 43.0% as compared to the year ended 31 December 2015. Such increase was mainly attributable to the combined effect of (i) increase in number of contracting projects with larger contract sum for the year ended 31 December 2016; and (ii) increase in revenue for consulting projects as evidenced by the increase in number of consulting projects awarded for the year ended 31 December 2016.

Gross profit

Set out below is the breakdown of the Group's gross profits and gross profit margins by operating segments for the three years ended 31 December 2016:

	For the year ended 31 December					
	2014		2015		2016	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Contracting service	19,092	12.1	22,177	10.0	43,399	13.0
Consulting service	<u>19,972</u>	<u>48.2</u>	<u>25,983</u>	<u>47.1</u>	<u>23,082</u>	<u>37.0</u>
Total	<u>39,064</u>	<u>19.6</u>	<u>48,160</u>	<u>17.4</u>	<u>66,481</u>	<u>16.8</u>

For the year ended 31 December 2015, the Group's gross profit was approximately HK\$48.2 million, representing an increase of approximately HK\$9.1 million or 23.3% as compared with the year ended 31 December 2014.

The gross profit of contracting service increased by approximately HK\$3.1 million or 16.2% from approximately HK\$19.1 million for the year ended 31 December 2014 to approximately HK\$22.2 million for the year ended 31 December 2015. The gross profit of consulting service increased by approximately HK\$6.0 million or 30.0% from approximately HK\$20.0 million for the year ended 31 December 2014 to approximately HK\$26.0 million for the year ended 31 December 2015. The increase in gross profit in both contracting and consulting service was mainly driven by the increasing demand for the Group's contracting and consulting service, thus increases in both revenue and gross profit is resulted for the year ended 31 December 2015.

However, 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 year ended 31 December 2015, the overall gross profit margin dropped from 19.6% for the year ended 31 December 2014 to 17.4% for the year ended 31 December 2015.

For the year ended 31 December 2016, the Group's gross profit recorded approximately HK\$66.5 million, accounting for an increase of approximately HK\$18.3 million or 38.0% as compared with the year ended 31 December 2015.

The gross profit of contracting service increased by approximately HK\$21.2 million or 95.5% from approximately HK\$22.2 million for the year ended 31 December 2015 to approximately HK\$43.4 million for the year ended 31 December 2016, while the gross profit margin of the contracting services increased from approximately 10.0% for the year ended 31 December 2015 to 13.0% for the year ended 31 December 2016.

The increase in gross profit of contracting service was mainly driven by the increasing demand for the Group's contracting service and the execution of few contracting projects with relatively higher gross profit margin, thus increase in gross profit and gross profit margin is resulted for the year ended 31 December 2016.

The gross profit of consulting service decreased by approximately HK\$2.9 million or 11.2% from approximately HK\$26.0 million for the year ended 31 December 2015 to approximately HK\$23.1 million for the year ended 31 December 2016, and the gross profit margin of the consulting services decreased from approximately 47.1% for the year ended 31 December 2015 to 37.0% for the year ended 31 December 2016.

The decrease in gross profit in consulting service was mainly driven by (i) the Group had offered a deeper discount to the customers in order to maintain the competitiveness in the market; and (ii) the Group has hired more experience and professional staff which resulted in the overall increase in the staff costs. Thus, the gross profit and gross profit margin of consulting service has dropped for the year ended 31 December 2016.

The overall increase in the gross profit of the Group for the year ended 31 December 2016 as compared to the year ended 31 December 2015 was mainly contributed by the increase in gross profit in contracting services. The overall decrease gross profit margin of the Group was mainly contributed by the decrease in gross profit margin in consulting services which net off with the increase in the gross profit margin in contracting services.

Administrative expenses

Administrative expenses of the Group increased by approximately HK\$10.9 million, or 64.1%, from approximately HK\$17.0 million for the year ended 31 December 2015 to approximately HK\$27.9 million for the year ended 31 December 2016. Administrative expenses primarily consist of rental expenses, staff costs and professional and other costs in relation to the compliance with the GEM Listing Rules. The increase was mainly attributable to the increase in staff costs paid to directors and staff due to business expansion and the costs in relation to the compliance with the GEM Listing Rules during the year.

Profit and total comprehensive income for the year

The Group's profit and total comprehensive income was approximately HK\$19.1 million, HK\$15.3 million and HK\$31.2 million for each of the three years ended 31 December 2014, 2015 and 2016 respectively, represented a decrease of approximately HK\$3.8 million or 19.9% in the year ended 31 December 2015 as compared to the year ended 31 December 2014, and an increase of approximately HK\$15.9 million or 103.9% in the year ended 31 December 2016 as compared to the year ended 31 December 2015.

The decrease in the year ended 31 December 2015 as compared to the year ended 31 December 2014 was mainly attributable to the net effect of (i) the listing expenses incurred by the Group for its listing exercise during the year ended 31 December 2015; and (ii) the increase in revenue and gross profit for the year ended 31 December 2015. Excluding the one-off listing expenses of the Group of approximately HK\$10.1 million, profit and total comprehensive income for the year ended 31 December 2015 would reach approximately HK\$25.4 million, representing an increase of approximately HK\$6.3 million or 33.0% compared to the year ended 31 December 2014.

The increase in the year ended 31 December 2016 as compared to the year ended 31 December 2015 was mainly attributable to the net effect of (i) the listing expenses incurred by the Group for its listing exercise during the year ended 31 December 2015 while no such expenses for the year ended 31 December 2016; and (ii) the increase in revenue and gross profit for the year ended 31 December 2016.

OTHER FINANCIAL INFORMATION OF THE GROUP

Set out below is the breakdown of the Group's current assets and current liabilities as at the dates indicated:

	Audited		
	As at 31 December		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets			
Amounts due from customers for contract works	44,237	49,055	84,897
Trade and other receivables	55,413	60,323	72,244
Tax recoverable	–	–	99
Amounts due from related companies	3,697	–	–
Amount due from a director	4,054	–	–
Pledged bank deposit	2,048	3,500	18,424
Bank balances and cash	<u>10,851</u>	<u>34,057</u>	<u>48,987</u>
	<u>120,300</u>	<u>146,935</u>	<u>224,651</u>
Current liabilities			
Amounts due to customers for contract works	1,039	–	–
Trade and other payables	48,503	68,650	120,722
Advances from customers	14,357	10,220	10,509
Tax liabilities	6,558	3,498	1,951
Bank borrowings	<u>10,004</u>	<u>–</u>	<u>4,424</u>
	<u>80,461</u>	<u>82,368</u>	<u>137,606</u>
Net current assets	<u><u>39,839</u></u>	<u><u>64,567</u></u>	<u><u>87,045</u></u>

Amounts due from/to customers for contract works

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised on the percentage of completion method, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract works. Conversely, for contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract works. As such, the amounts due from customers for contract works are generally affected by the value of contract work performed and the timing of progress billings.

The amounts due from customers for contract works consist of (i) the Group's contracts costs incurred plus recognised profits less recognised losses and the Group's progress billings; and (ii) retention monies held by customers for contract works in relation to incomplete projects. Retention monies are certain percentage of each fee payment made to the Group, usually at the rate between 5% to 10%, with total retention monies withheld generally capped at 5% of total contract sum, may be withheld by some customers as retention money and will be generally released as to 50% upon the issue of practical completion certificate and as to the remaining 50% at the end of the defect liability period. In some cases, full amount of the retention monies are released at the end of the defect liability period. Amounts due from customers for contract works of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 amounted to approximately HK\$44.2 million, HK\$49.1 million and HK\$84.9 million, respectively. The continuous increase in the amounts due from customers for contract work during the Track Record Period was mainly due to the increase in the contract works performed for the projects yet to be certified. Such increase was resulted by (i) the business growth in both 2015 and 2016 as evidenced by the increase in revenue during the Track Record Period; (ii) the increase in number of contracting projects with relatively large contract sum during the Track Record Period; and (iii) increase in retention monies held by customers for contract works in relation to incomplete projects.

As at the Latest Practicable Date, approximately 67.6% of amounts due from customers for contract works of approximately HK\$84.9 million as at 31 December 2016 had been billed to the Group's customers.

Such amount due from customers for contract works of approximately HK\$84.9 million as at 31 December 2016 comprised (i) approximately HK\$64.3 million in relation to the portion of the contract works performed but not been billed to customers, which had been subsequently billed to the Group's customers as to 85.9% as at the Latest Practicable Date; and (ii) approximately HK\$20.6 million in relation to retention held by customers for contract works in relation to incomplete projects, which had been subsequently billed to the Group's customers as to 10.4% as at the Latest Practicable Date.

As at the Latest Practicable Date, approximately HK\$9.1 million in relation to amounts due from customers for contract works (excluding aforementioned retention monies for contract works in relation to incomplete projects) remained unbilled to customers. Such amounts remained unbilled to customers mainly due to the project owners or the main contractors

underwent the internal assessment whether the relevant work done has been reached the corresponding billing milestones notwithstanding the relevant work done had been performed.

The Group had no material dispute or disagreement with its customers in relation to the timing and amount of billing for contract works during the Track Record Period and up to the Latest Practicable Date.

Trade and other receivables

Trade and other receivables of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 amounted to approximately HK\$55.4 million, HK\$60.3 million and HK\$72.2 million, respectively.

The Group's trade and other receivables mainly represent trade receivables, retention receivables, other receivables, deposits and prepayment. Trade receivables represent receivables from the Group's customers arising from the provision of contracting and consulting services. Retention receivables represent retention money withheld by some of the Group's customers, normally capped at the rate of 5% of total contract sum.

The Group's trade and other receivables maintained at similar level, which amounted to approximately HK\$55.4 million and HK\$60.3 million as at 31 December 2014 and 31 December 2015, respectively. The balance further increased to HK\$72.2 million as at 31 December 2016, representing an increase of approximately 19.7% or approximately HK\$11.9 million. It was mainly due to the increase in trade receivable which resulted by (i) relatively higher amount of work done certified and invoiced to customers for payment in the second half of 2016 as compared with that in the corresponding period of 2015 due to the execution of more contracting projects in the second half of 2016; and (ii) the business growth in 2016 as evidenced by the increase in revenue for the year ended 31 December 2016 as compared with that for the year ended 31 December 2015.

As at the Latest Practicable Date, approximately 73.8% of trade and other receivables as at 31 December 2016 had been settled.

Trade and other payables

Trade and other payables of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 amounted to approximately HK\$48.5 million, HK\$68.7 million and HK\$120.7 million, respectively.

The trade and other payables mainly represent trade payables, retention payables, accruals operating expenses and deposit from customers. Trade payables mainly represent amounts payable to suppliers such as subcontracting charges, sub-consulting charges and material costs. Retention payables represent the portion of account payable to the subcontractors that will be released by the Group until the Group receives the corresponding retention money from the customers. Accruals operating expenses mainly consist of accruals for (i) subcontracting charges, which were not yet invoiced by the subcontractors; (ii) staff salaries and allowances; and (iii) other office expenses.

The continuous increase in trade and other payables was mainly attributed to the increase in accrued subcontracting charges, which were not yet invoiced by the subcontractors. Such increase was in line with the increase in the business growth and the number of projects executed during the Track Record Period, which was evidenced by the increase in the revenue and corresponding cost of sales during the Track Record Period.

The net current assets of the Group as at 31 December 2015 increased to approximately HK\$64.6 million from approximately HK\$39.8 million as at 31 December 2014, representing an increase of approximately HK\$24.8 million or 62.3%. Such increase was mainly contributed by the net proceeds from the Placing of approximately HK\$ 21.9 million. The net current assets further increase of approximately HK\$22.4 million or 34.7% to approximately HK\$87.0 million for the year ended 31 December 2016. Such increase was mainly contributed by the profit for the year of approximately HK\$31.2 million.

As at the Latest Practicable Date, approximately 80.1% of trade and other payables as at 31 December 2016 had been settled.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2017

On 10 May 2017, the Company announced the unaudited consolidated quarterly results and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2017. For details, please refer to the said announcement dated 10 May 2017 and the first quarterly report of the Company for the three months ended 31 March 2017 published on 14 May 2017.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that subsequent to 31 December 2016 and up to the date of this announcement, there has been no material adverse change in the financial or trading position or prospects of the Group and there have been no trends or developments which may have a material adverse impact on the Group's business operations or financial performance.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for viewing on the respective websites of the Company at <http://www.fdbhk.com> and of the Stock Exchange at <http://www.hkexnews.hk>:

- (a) the interim report of the Company for the six months ended 30 June 2016;
- (b) the third quarterly report of the Company for the nine months ended 30 September 2016;
- (c) the Directors' report and annual report of the Company for the year ended 31 December 2016;
- (d) the first quarterly report of the Company for the three months ended 31 March 2017;
- (e) each of the prospectuses and circulars to shareholders issued by the Company in the immediately preceding full financial year;

- (f) the memorandum of associations and the Articles of the Company; and
- (g) a copy of each of the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Main Board Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context requests otherwise:

“Articles”	the articles of association of the Company adopted on 16 September 2015 and as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Authorized Person(s)”	a person whose name is on the authorized persons’ register kept under section 3(1) of the Buildings Ordinance as an architect, an engineer, or a surveyor
“Board”	the board of Directors
“Building Authority”	has the meaning ascribed to it under the Buildings Ordinance and, as at the Latest Practicable Date, means the Director of Buildings of the Government
“Buildings Department”	the Buildings Department of Hong Kong
“Buildings Ordinance”	the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Building Services”	the types of building related systems in relation to (i) air-conditioning system; (ii) electrical system; (iii) fire services system; and (iv) plumbing and drainage system
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	FDB Holdings Limited, a company incorporated in the Cayman Islands and the Shares of which are listed on GEM
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules
“Development Bureau”	the Development Bureau of the Government
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Government”	the Government of Hong Kong
“Group”	the Company and its subsidiaries
“Group A”	Group A of the relevant works category in the List of Approved Contractors for Public Works (認可公共工程承建商名冊) approved by the Development Bureau in Hong Kong for carrying out public works in one or more of the five major categories of building and civil engineering works with tender limit for contracts of value up to HK\$100 million. A Group A contractor means an approved contractor satisfying Group A’s qualification
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 June 2017, being the latest practicable date for the purpose of ascertaining certain information contained in this announcement
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the option market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 308,000,000 Shares for the listing of the Shares on GEM as set out in the Prospectus
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 23 September 2015
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2015
“Shareholder(s)”	shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Track Record Period”	the three years ended 31 December 2014, 2015 and 2016
“Transfer of Listing”	the transfer of listing of the Shares from GEM to the Main Board
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 30 June 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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.fdbhk.com.