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LEAP Holdings Group Limited

前進控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1499)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 March 2016 amounted to approximately HK\$399.3 million (for the year ended 31 March 2015: approximately HK\$305.3 million).
- Profit attributable to the owners of the Company for the year ended 31 March 2016 amounted to approximately HK\$29.2 million (for the year ended 31 March 2015: approximately HK\$38.5 million).
- Equity attributable to owners of the Company as at 31 March 2016 amounted to approximately HK\$166.5 million (as at 31 March 2015: approximately HK\$86.2 million)
- Basic and diluted earnings per share for the year ended 31 March 2016 amounted to approximately HK cents 1.35 (for the year ended 31 March 2015: approximately HK cents 1.92).
- The Board does not recommend the declaration of a final dividend for the year ended 31 March 2016.

The board (the “**Board**”) of directors (the “**Director(s)**”) of LEAP Holdings Group Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2016 (the “**Review Period**”) together with the comparative figures for the year ended 31 March 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000
Revenue	4	399,277	305,313
Cost of sales	5	(328,830)	(242,982)
Gross profit		70,447	62,331
Other income and net gains	4	892	6,245
Administrative and other operating expenses	5	(32,562)	(17,722)
Operating profit		38,777	50,854
Finance costs	6	(1,079)	(1,361)
Profit before income tax		37,698	49,493
Income tax expense	7	(8,473)	(7,872)
Profit and total comprehensive income for the year		29,225	41,621
Profit and total comprehensive income attributable to:			
Owners of the Company		29,225	38,499
Non-controlling interests		–	3,122
Profit and total comprehensive income for the year		29,225	41,621
Basic and diluted earnings per share	8	HK cents 1.35	HK cents 1.92

Details of dividends are disclosed in Note 9 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	<i>10</i>	<u>62,261</u>	<u>49,982</u>
Current assets			
Trade and other receivables	<i>11</i>	119,105	86,990
Gross amounts due from customers for contract work	<i>12</i>	26,363	6,431
Amounts due from directors		–	9,988
Cash and bank balances		<u>50,251</u>	<u>22,543</u>
		<u>195,719</u>	<u>125,952</u>
Total assets		<u>257,980</u>	<u>175,934</u>
EQUITY			
Capital and reserves			
Share capital	<i>13</i>	22,880	1
Reserves		<u>143,581</u>	<u>86,176</u>
Total equity		<u>166,461</u>	<u>86,177</u>
LIABILITIES			
Non-current liabilities			
Borrowings	<i>14</i>	14,046	8,235
Deferred tax liabilities		<u>5,787</u>	<u>5,263</u>
		<u>19,833</u>	<u>13,498</u>
Current liabilities			
Trade and other payables	<i>15</i>	36,405	36,655
Gross amounts due to customers for contract work	<i>12</i>	16,544	10,371
Borrowings	<i>14</i>	15,823	17,455
Current income tax liabilities		<u>2,914</u>	<u>11,778</u>
		<u>71,686</u>	<u>76,259</u>
Total liabilities		<u>91,519</u>	<u>89,757</u>
Total equity and liabilities		<u>257,980</u>	<u>175,934</u>
Net current assets		<u>124,033</u>	<u>49,693</u>
Total assets less current liabilities		<u>186,294</u>	<u>99,675</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 GENERAL INFORMATION AND CORPORATE REORGANISATION

(a) General information

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of the Company's principal place of business in Hong Kong is Units 2701-02, 27th Floor, Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of foundation works and ancillary services and construction wastes handling.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 September 2015.

(b) Corporate reorganisation

In preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, the Company underwent a corporate reorganisation (the "**Reorganisation**"). The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 15 May 2015. Through the Reorganisation, as more fully explained in the paragraph headed "Corporate Reorganisation" in Appendix IV "Statutory and General Information" to the prospectus (the "**Prospectus**") in connection with the share offer of the Company's shares dated 21 August 2015, the Company became the holding company of the companies now comprising the Group on 23 July 2015.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2015:

- Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans
- Amendments from annual improvements to HKFRSs – 2010 – 2012 Cycle, on HKFRS 8, “Operating Segments”, HKAS 16, “Property, Plant and Equipment” and HKAS 38, “Intangible Assets” and HKAS 24, “Related Party Disclosures”
- Amendments from annual improvements to HKFRSs – 2011 – 2013 Cycle, on HKFRS 3, “Business Combinations”, HKFRS 13, “Fair Value Measurement” and HKAS 40, “Investment Property”

The adoption of the above new amendments of HKFRS did not have any significant impact on the consolidated financial statements.

New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, “Financial Instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the “hedged ratio” to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, "Revenue from Contracts with Customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

HKFRS 16, "Leases" introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these financial statements. The Group is assessing the impact of HKFRS 16.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4 REVENUE AND SEGMENT INFORMATION

Revenue and other income and net gains recognised during the year are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue		
Foundation works and ancillary services	330,953	241,445
Rental income	1,131	2,308
Construction wastes handling	67,193	61,560
	<u>399,277</u>	<u>305,313</u>
Other income and net gains		
Interest income	148	89
(Loss)/Gain on disposal of property, plant and equipment	(406)	181
Government grants (<i>Note</i>)	449	5,717
Recovery of bad debts	253	–
Others	448	258
	<u>892</u>	<u>6,245</u>

Note: There are no unfulfilled conditions or contingencies relating to these grants.

Segment information

Management has determined the operating segments based on the reports reviewed by the Directors, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

Foundation works and ancillary services: Provision of site formation works, excavation and lateral support works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.

Construction wastes handling: Provision of management and operation of public fill reception facilities, including public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.

Segment revenue is measured in a manner consistent with that in the consolidated statements of profit or loss and other comprehensive income.

The Directors assess the performance of the operating segments based on a measure of segment results. Unallocated income, unallocated corporate expenses, finance costs, income tax expense and other major items that are isolated and non-recurring in nature are not included in segment results.

Segment assets mainly consist of current assets and non-current assets as disclosed in the consolidated statement of financial position except unallocated cash and bank balances, amounts due from directors and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, deferred tax liabilities, borrowings and other unallocated liabilities.

	Foundation works and ancillary services HK\$'000	Construction wastes handling HK\$'000	Total HK\$'000
Year ended 31 March 2016			
Revenue			
External revenue	<u>332,084</u>	<u>67,193</u>	<u>399,277</u>
Segment results	<u>61,424</u>	<u>9,023</u>	70,447
Unallocated income			892
Unallocated corporate expenses			(32,562)
Finance costs			(1,079)
Profit before income tax			37,698
Income tax expense			(8,473)
Profit for the year			<u>29,225</u>
Included in segment results are:			
Depreciation	<u>13,224</u>	<u>3,476</u>	<u>16,700</u>
At 31 March 2016			
Segment assets	233,096	17,522	250,618
Unallocated assets			7,362
Total assets			<u>257,980</u>
Additions to non-current asset:			
Segment assets	30,411	1,685	32,096
Unallocated assets			256
			<u>32,352</u>
Segment liabilities	48,815	2,948	51,763
Unallocated liabilities			1,186
Borrowings			29,869
Current income tax liabilities			2,914
Deferred tax liabilities			5,787
Total liabilities			<u>91,519</u>

	Foundation works and ancillary services <i>HK\$'000</i>	Construction wastes handling <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2015			
Revenue			
External revenue	243,753	61,560	305,313
Segment results	58,915	3,416	62,331
Unallocated income			6,245
Unallocated corporate expenses			(17,722)
Finance costs			(1,361)
Profit before income tax			49,493
Income tax expense			(7,872)
Profit for the year			41,621
Included in segment results are:			
Depreciation	9,748	3,606	13,354
At 31 March 2015			
Segment assets	122,746	17,217	139,963
Unallocated assets			35,971
Total assets			175,934
Additions to non-current asset:			
Segment assets	26,941	7,540	34,481
Unallocated assets			522
			35,003
Segment liabilities	40,018	1,579	41,597
Unallocated liabilities			5,429
Borrowings			25,690
Current income tax liabilities			11,778
Deferred tax liabilities			5,263
Total liabilities			89,757

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. The Group's major operations and markets are located in Hong Kong, no geographical segment information is provided.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Customer A ²	41,134	N/A ³
Customer B ²	71,267	N/A ³
Customer C ²	72,296	121,133
Customer D ²	45,783	35,877
Customer E ^{1 and 2}	67,966	61,560
	<u> </u>	<u> </u>

¹ Revenue from construction wastes handling.

² Revenue from foundation works and ancillary services.

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5 EXPENSES BY NATURE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost of sales		
Costs of construction materials and supplies	68,280	52,075
Staff costs	87,177	61,051
Consultancy fee	3,882	3,523
Parts and consumables	4,635	6,313
Subcontracting charges	97,283	68,164
Transportation	16,898	10,070
Depreciation of owned assets (<i>Note 10</i>)	10,710	7,798
Depreciation of leased assets (<i>Note 10</i>)	5,990	5,556
Repair and maintenance	8,666	5,851
Machine rental	4,539	7,751
Survey fee	3,894	2,164
Site management fee	11,775	8,187
Insurance	629	1,172
Waste handling charges	2,426	2,032
Other expenses	2,046	1,275
	<u> </u>	<u> </u>
	<u>328,830</u>	<u>242,982</u>

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>

Administrative and other operating expenses

Auditors' remuneration

– Current year

880 300

– Over-provision in prior year

(70) –

Depreciation of owned assets (*Note 10*)

432 1,229

Donations

1,160 17

Entertainment

1,833 850

Insurance

145 298

Legal and professional fees

1,761 746

Listing expenses

12,021 3,822

Operating lease rental on premises

1,302 1,139

Staff costs, including directors' emoluments

9,242 7,556

Other expenses

3,856 1,478

Impairment on trade receivables

– 287

32,562 17,722

6 FINANCE COSTS

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>

Interest on finance leases

902 920

Interest on bank overdrafts and bank borrowings

177 441

1,079 1,361

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015:16.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year.

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>

Hong Kong profits tax:

– Current income tax

7,967 6,068

– Over-provision in prior years

(18) –

Deferred income tax

524 1,804

Income tax expense

8,473 7,872

8 EARNINGS PER SHARE

	2016	2015
Profit attributable to owners of the Company (HK\$'000)	<u>29,225</u>	<u>38,499</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	<u>2,167,661</u>	<u>2,002,000</u>
Basic earnings per share (HK cents)	<u>1.35</u>	<u>1.92</u>

For the year ended 31 March 2016, the calculation of the basic earnings per share attributable to owners of the Company was based on (i) the profit attributable to owners of the Company and (ii) the weighted average number of ordinary shares issued during the year.

For the year ended 31 March 2015, the calculation of the basic earnings per share attributable to owners of the Company was based on (i) the profit attributable to owners of the Company and (ii) the weighted average number of 2,002,000,000 shares (comprising 10,000 shares in issue and 2,001,990,000 shares to be issued under the capitalisation issue) as if these 2,002,000,000 shares were outstanding throughout the year.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary share in issue during the years ended 31 March 2016 and 2015.

9 DIVIDENDS

During the year ended 31 March 2016, the Company declared interim dividends of HK\$25,000,000 to the then shareholder of the Company. Interim dividends of approximately HK\$10,148,000 was settled by cash and the remaining balance of approximately HK\$14,852,000 was settled by offset against the amounts due from directors.

During the year ended 31 March 2015, Win Target Engineering Limited, a subsidiary of the Company, declared and paid interim dividends to its then equity holders amounting to approximately HK\$1,300,000.

No final dividend was proposed by the Board for the year ended 31 March 2016 (2015: Nil).

10 PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment <i>HK\$'000</i> <i>(Note a)</i>	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i> <i>(Note b)</i>	Total <i>HK\$'000</i>
Cost					
At 1 April 2014	49,367	–	1,172	37,172	87,711
Additions	28,688	767	482	5,066	35,003
Disposals	(8,938)	–	–	(13,547)	(22,485)
At 31 March 2015	<u>69,117</u>	<u>767</u>	<u>1,654</u>	<u>28,691</u>	<u>100,229</u>
Accumulated depreciation					
At 1 April 2014	30,474	–	932	22,190	53,596
Charge for the year <i>(Note 5)</i>	9,503	119	158	4,803	14,583
Disposals	(7,632)	–	–	(10,300)	(17,932)
At 31 March 2015	<u>32,345</u>	<u>119</u>	<u>1,090</u>	<u>16,693</u>	<u>50,247</u>
Net book value					
At 31 March 2015	<u><u>36,772</u></u>	<u><u>648</u></u>	<u><u>564</u></u>	<u><u>11,998</u></u>	<u><u>49,982</u></u>
Cost					
At 1 April 2015	69,117	767	1,654	28,691	100,229
Additions	29,606	–	113	2,633	32,352
Disposals	(4,389)	–	–	(2,091)	(6,480)
At 31 March 2016	<u>94,334</u>	<u>767</u>	<u>1,767</u>	<u>29,233</u>	<u>126,101</u>
Accumulated depreciation					
At 1 April 2015	32,345	119	1,090	16,693	50,247
Charge for the year <i>(Note 5)</i>	12,336	256	176	4,364	17,132
Disposals	(1,993)	–	–	(1,546)	(3,539)
At 31 March 2016	<u>42,688</u>	<u>375</u>	<u>1,266</u>	<u>19,511</u>	<u>63,840</u>
Net book value					
At 31 March 2016	<u><u>51,646</u></u>	<u><u>392</u></u>	<u><u>501</u></u>	<u><u>9,722</u></u>	<u><u>62,261</u></u>

Notes:

(a) Machinery and equipment includes the following amounts where the Group is a lessee under finance leases:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost – capitalised finance leases	21,800	19,514
Accumulated depreciation	(9,149)	(6,165)
Net book value	12,651	13,349

(b) Motor vehicles include the following amounts where the Group is a lessee under finance leases:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost – capitalised finance leases	12,778	17,125
Accumulated depreciation	(5,954)	(7,177)
Net book value	6,824	9,948

11 TRADE AND OTHER RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	74,282	52,376
Other receivables, deposits and prepayments	6,999	6,481
Retention receivables	37,824	28,133
	119,105	86,990

Notes:

(a) Trade receivables are past due when a counterparty has failed to make a payment when contractually due. The credit period granted customers is 7 to 75 days generally. Trade receivables are denominated in HK\$.

(b) The ageing analysis of the trade receivables based on payment certificate is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0-30 days	51,609	25,783
31-60 days	10,774	18,415
61-90 days	668	4,705
Over 90 days	11,231	3,473
	74,282	52,376

Trade receivables of approximately HK\$60,428,000 (2015: HK\$34,582,000) as at 31 March 2016 were not yet past due and approximately HK\$13,854,000 (2015: HK\$17,794,000) as at 31 March 2016 were past due but not impaired. These relate to trade receivables from a number of independent customers of whom there is no recent history of default and no provision has therefore been made.

Movements in the Group's provision for impairment of trade receivables are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 April	–	–
Allowance for trade receivables	–	287
Trade receivables written off as uncollectible	–	(287)
	<hr/>	<hr/>
At 31 March	<u>–</u>	<u>–</u>

- (c) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

12 GROSS AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Gross amounts due from customers for contract work		
Contract costs incurred plus recognised profits less recognised losses	425,992	80,522
Less: Progress billings received and receivable	(399,629)	(74,091)
	<hr/>	<hr/>
	<u>26,363</u>	<u>6,431</u>
	<hr/>	<hr/>
Gross amounts due to customers for contract work		
Progress billings received and receivable	113,240	223,749
Less: Contract costs incurred plus recognised profits less recognised losses	(96,696)	(213,378)
	<hr/>	<hr/>
	<u>16,544</u>	<u>10,371</u>

All gross amounts due from/to customers for contract work are expected to be recovered/ settled within one year.

14 BORROWINGS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current		
Finance lease liabilities (<i>Note c</i>)	14,046	8,235
Current		
Bank overdrafts (<i>Note b</i>)	–	4,387
Bank borrowings (<i>Notes a and b</i>)	873	3,109
Finance lease liabilities (<i>Note c</i>)	14,950	9,959
	<u>15,823</u>	<u>17,455</u>
Total borrowings	<u>29,869</u>	<u>25,690</u>

Notes:

(a) Bank borrowings

The bank borrowings are classified as current liabilities according to the HK Interpretation 5, *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* issued by the HKICPA. According to the repayment schedule, the bank borrowings are repayable as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 1 year	275	626
Between 1 and 2 years	573	641
Between 2 and 5 years	25	1,743
Over 5 years	–	99
	<u>873</u>	<u>3,109</u>

(b) The carrying amounts of the bank overdrafts and bank borrowings are denominated in the following currencies:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
HK\$	–	6,358
US\$	873	1,138
	<u>873</u>	<u>7,496</u>

(c) Finance lease liabilities

Lease liabilities are secured as the rights to the leased assets revert to the lessors in the event of default.

At the end of lease term of certain finance leases the Group has the option to purchase the leased asset at a price deemed to be a bargain purchase option.

Certain machinery and equipment was under finance leases in the form of sale and leaseback arrangements. There was no disposal gain or loss recognised for the transactions as the fair value was not significantly different to the carrying value of the relevant machinery and equipment.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Gross finance lease liabilities – minimum lease payments		
Within 1 year	15,688	10,560
Between 1 and 2 years	10,858	5,524
Between 2 and 5 years	3,548	3,000
	<u>30,094</u>	<u>19,084</u>
Future finance charges on finance leases	(1,098)	(890)
	<u>28,996</u>	<u>18,194</u>

The present value of finance lease liabilities is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 1 year	14,950	9,959
Between 1 and 2 years	10,551	5,314
Between 2 and 5 years	3,495	2,921
	<u>28,996</u>	<u>18,194</u>

The finance leases are secured by the Group's machinery and equipment with an aggregate net book value of approximately HK\$12,651,000 (2015: HK\$13,349,000) and motor vehicles with an aggregate net book value of approximately HK\$6,824,000 (2015: HK\$9,948,000) as at 31 March 2016. Finance leases with carrying amounts of approximately HK\$6,984,000 (2015: HK\$11,771,000) as at 31 March 2016 are guaranteed by personal guarantees given by certain Directors.

The carrying amounts of all finance lease liabilities are denominated in HK\$.

(d) The interest rates per annum of borrowings are as follows:

	2016	2015
Bank overdrafts	N/A	6.00% to 6.50%
Bank borrowings	2.50%	2.20% to 2.50%
Finance lease liabilities	<u>2.88% to 7.96%</u>	<u>2.88% to 7.96%</u>

- (e) These banking facilities are secured/guaranteed by:
- (i) Personal guarantees given by certain Directors and a director of a subsidiary as at 31 March 2015;
 - (ii) Certain properties held by a director of the Company as at 31 March 2015; and
 - (iii) Pledge of life insurance amounting to approximately HK\$2,513,000 (2015: HK\$2,481,000) as at 31 March 2016.

15 TRADE AND OTHER PAYABLES

	2016 HK\$'000	2015 <i>HK\$'000</i>
Trade payables	29,031	32,979
Accruals and other payables	7,374	3,676
	<hr/> 36,405 <hr/>	<hr/> 36,655 <hr/>

Notes:

- (a) Payment terms granted by suppliers are generally 15 to 80 days from the invoice date of the relevant purchases.

The ageing analysis of trade payables based on the invoice date is as follows:

	2016 HK\$'000	2015 <i>HK\$'000</i>
0-30 days	15,849	24,214
31-60 days	9,773	5,894
61-90 days	59	1,017
Over 90 days	3,350	1,854
	<hr/> 29,031 <hr/>	<hr/> 32,979 <hr/>

- (b) All trade and other payables are denominated in HK\$.

16 CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

Pending litigations

As at 31 March 2016, there were three ongoing employees' compensation claims and two personal injury claims against the Group. As the claims are being handled by the relevant insurer's lawyer and the Directors take the view that the amount to be borne by the Group in the proceeding shall be covered by the relevant insurance policy, no provision for contingent liabilities in respect of pending litigations is necessary.

17 EVENT AFTER THE REPORTING PERIOD

The Company has conditionally agreed to place 168,000,000 new shares to not less than six placees at a price of HK\$0.5 pursuant to the terms and conditions of the placing agreement entered into between the Company and Koala Securities Limited on 10 May 2016 (the "**Placing**"). All the conditions of the Placing were fulfilled and completion of the Placing took place on 26 May 2016. The net proceeds from the Placing, after deducting the Placing commission and other expenses in connection with such Placing from the gross proceeds, is approximately HK\$81 million which is intended to be used for general working capital and/or potential investments of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major sources of revenue were from foundation works and ancillary services and construction wastes handling services in Hong Kong.

The Company's shares (the "Shares") were successfully listed (the "Listing") on the Main Board of Stock Exchange on 2 September 2015 (the "Listing Date") and 286,000,000 new Shares had been offered for subscription and 286,000,000 Shares for sale, at an offer price of HK\$0.25 per Share.

Foundation Works and Ancillary Services

The foundation works of the Group mainly included site formation works, excavation and lateral support ("ELS") works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery.

During the Review Period, revenue from this segment amounted to approximately HK\$332.1 million, approximately HK\$88.3 million more than the year ended 31 March 2015. Such growth was mainly attributable to the commencement of the newly awarded projects in Ma On Shan, Kwun Tong and Aberdeen which the Group also made some progress. During the Review Period, such projects contributed significantly to the growth of the Group's revenue in this segment and recorded revenue amounting to approximately HK\$68.2 million.

Gross profit of this segment during the Review Period was approximately HK\$61.4 million, increased approximately 4.3% as compared with approximately HK\$58.9 million for the year ended 31 March 2015. Such increase was mainly due to the commencement of the newly awarded projects in Ma On Shan, Kwun Tong and Aberdeen. Gross profit margin of this segment for the Review Period was approximately 18.5%, representing a decrease of 5.7 percentage point from approximately 24.2% for the year ended 31 March 2015. The decrease is mainly due to various design-and-build foundation and ancillary services projects with higher gross profit margin in North Point, Kwai Chung and Causeway Bay had carried out substantial work in the previous financial year.

Construction Wastes Handling Services

The Group's construction wastes handling services mainly included the management and operation of public fill reception facilities such as public fill banks and temporary construction waste sorting facilities, for construction and demolition materials.

During the Review Period, revenue from this segment amounted to approximately HK\$67.2 million, increased approximately HK\$5.6 million as compared with approximately HK\$61.6 million for the year ended 31 March 2015. Gross profit of this segment for the Review Period was approximately HK\$9.0 million, increased approximately 164.1% as compared with approximately HK\$3.4 million for the year ended 31 March 2015. Such increase was mainly due to the decrease in cost of sales. The decrease in cost of sales is mainly attributable to (i) the decrease in diesel fuel for transportation as a result of decreased average purchase price of diesel fuel; (ii) the decrease in the machinery rental after the addition of machineries and motor vehicles; and (iii) the decrease in the usage of parts and consumables for machineries and motor vehicles after the replacement of old ones. Gross profit margin of this segment for the Review Period was approximately 13.4%, representing an increase of 7.9 percentage point from approximately 5.5% for the year ended 31 March 2015. Such increase is mainly due to the decrease in cost of sales as mentioned above.

New Projects Awarded

During the Review Period, the Group had been awarded 14 new contracts with total contract value of approximately HK\$274.0 million. Details of the new projects were as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Southern district	Foundation works
Foundation Works and Ancillary Services	Eastern district	Bored piles construction works
Foundation Works and Ancillary Services	Yau Tsim Mong district	Disposal of excavated materials
Foundation Works and Ancillary Services	Sai Kung district	Hoarding, pipe pile and king post works
Foundation Works and Ancillary Services	Tsuen Wan district	Hoarding and demolition works
Foundation Works and Ancillary Services	Kowloon City district	Piling foundation works and ancillary works
Foundation Works and Ancillary Services	Yuen Long district	Site formation, ELS and concrete footing construction
Foundation Works and Ancillary Services	Wan Chai district	Hoarding and demolition works
Foundation Works and Ancillary Services	Southern district	Piling foundation works and ancillary works
Foundation Works and Ancillary Services	Kowloon City district	Site formation works
Foundation Works and Ancillary Services	Southern district	Ground investigation related works
Foundation Works and Ancillary Services	Eastern district	Hoarding, foundation and ELS works
Foundation Works and Ancillary Services	Sha Tin district	Hoarding, foundation and ELS works
Foundation Works and Ancillary Services	Kwun Tong district	ELS works

Projects in Progress

As at 31 March 2016, the Group had 18 projects in progress, whose total contract value amounted to approximately HK\$650.3 million. Details of the projects in progress were as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Southern district	Foundation works
Foundation Works and Ancillary Services	Eastern district	Bored piles construction works
Foundation Works and Ancillary Services	Yau Tsim Mong district	Disposal of excavated materials
Foundation Works and Ancillary Services	Sai Kung district	Hoarding, pipe pile and king post works
Foundation Works and Ancillary Services	Tsuen Wan district	Hoarding and demolition works
Foundation Works and Ancillary Services	Kowloon City district	Piling foundation works and ancillary works
Foundation Works and Ancillary Services	Yuen Long district	Site formation, ELS and concrete footing construction
Foundation Works and Ancillary Services	Wan Chai district	Hoarding and demolition works
Foundation Works and Ancillary Services	Southern district	Piling foundation works and ancillary works
Foundation Works and Ancillary Services	Eastern district	Hoarding, foundation and ELS works
Foundation Works and Ancillary Services	Sha Tin district	Hoarding, foundation and ELS works
Foundation Works and Ancillary Services	Kwun Tong district	ELS works
Foundation Works and Ancillary Services	Kwai Tsing district	Reinforced concrete structure works
Foundation Works and Ancillary Services	Sha Tin district	Site formation and ELS works
Foundation Works and Ancillary Services	Yau Tsim Mong district	ELS and piling works
Foundation Works and Ancillary Services	Yau Tsim Mong district	ELS and piling and structure works
Foundation Works and Ancillary Services	Yau Tsim Mong district	Earthwork
Construction Wastes Handling Services	Tseung Kwan O Area 137 and Tuen Mun Area 38	Operation of temporary construction waste sorting facilities

Completed Projects

During the Review Period, the Group completed 11 projects. Details of the completed projects were as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Kowloon City district	Site formation works
Foundation Works and Ancillary Services	Southern district	Ground investigation related works
Foundation Works and Ancillary Services	Kowloon City district	Sheet piling works
Foundation Works and Ancillary Services	Tai Po district	Removal and disposal of existing filled materials
Foundation Works and Ancillary Services	Southern district	Foundations, ELS and pile caps works
Foundation Works and Ancillary Services	Sha Tin district	Site formation works
Foundation Works and Ancillary Services	Sha Tin district	Foundation works
Foundation Works and Ancillary Services	Eastern district	Foundation, ELS and pile cap works
Foundation Works and Ancillary Services	Eastern district	Site formation and foundation works
Foundation Works and Ancillary Services	Kwai Tsing district	Site formation and ELS works
Foundation Works and Ancillary Services	Wan Chai district	Foundation works

FINANCIAL REVIEW

Revenue

Revenue increased significantly by approximately 30.8% from approximately HK\$305.3 million for the year ended 31 March 2015 to approximately HK\$399.3 million for the Review Period. The growth is mainly due to the commencement of the newly awarded projects in Ma On Shan, Kwun Tong and Aberdeen during the Review Period which the Group had made some progress.

Gross profit and gross margin

Gross profit increased by approximately 13.0% from approximately HK\$62.3 million for the year ended 31 March 2015 to approximately HK\$70.4 million for the Review Period. The increase in gross profit was mainly due to the increase in business activities of the newly awarded projects mentioned above. Gross profit margin for the Review Period was approximately 17.6%, representing a decrease of 2.8 percentage points from approximately 20.4% for the year ended 31 March 2015. The decrease was mainly due to the lower gross profit margin achieved for the foundation works and ancillary services segment as a result of the carrying out of substantial works for projects located in North Point, Kwai Chung and Causeway Bay, which have a higher gross profit margin, during the year ended 31 March 2015.

Other income and net gains

Other income and net gains mainly consisted of interest income, gain or loss on the disposal of property, plant and equipment and Government grants. During the Review Period, other income and net gains amounted to approximately HK\$0.9 million (2015: HK\$6.2 million).

Administrative and other operating expenses

The administrative and other operating expenses of the Group for the Review Period amounted to approximately HK\$32.6 million, representing an increase of approximately 83.7% compared with approximately HK\$17.7 million for the year ended 31 March 2015. Such increase was mainly due to the one-off listing expenses incurred of approximately HK\$12.0 million (2015: HK\$3.8 million), increase in staff costs and charity donation during the Review Period.

Finance costs

Finance costs decreased by approximately 20.7% from approximately HK\$1.4 million for the year ended 31 March 2015 to approximately HK\$1.1 million for the Review Period, which was mainly due to the decrease in bank borrowings.

Income tax expense

Income tax expense increased by approximately 7.6% from approximately HK\$7.9 million for the year ended 31 March 2015 to approximately HK\$8.5 million for the Review Period. Such increase was mainly due to the one-off listing expenses which is not tax deductible.

Profit for the year

The Group recorded a net profit of approximately HK\$29.2 million for the Review Period, representing a decrease of 29.8% compared with approximately HK\$41.6 million for the year ended 31 March 2015. The decrease in the profit for the year was mainly due to the increase in administrative and other operating expenses as discussed above.

PROSPECTS

Affordable housing supply is expected to increase because of the continual hyperactive housing market driven by property investments and a growing population. Therefore, demand for foundation works is expected to remain high. According to the 2015 Policy Address, the private sector is expected to produce about 14,600 flats per year in the coming five years, compared with about 11,400 flats per year in the past five years. The demand for commercial buildings is also expected to remain high, given the number of newly registered companies in Hong Kong continues to grow, from about 139,530 units in 2010 to about 167,280 units in 2014. This implies the continual demand for office space and hence foundation works. According to the 2015-16 Budget Speech, the Government is budgeted to invest approximately HK\$76.3 billion on public infrastructure. The investment will cover (i) the proposal of developing a new commercial district between Hong Kong Island and Lantau Island through building an artificial island;

and (ii) the feasibility study of the six sites inside the hotel belt that near Victoria Harbour and next to the Kai Tak Cruise Terminal. As a result, with the Government's initiative, it is expected the demand for foundation works service will continue to increase in Hong Kong, providing opportunities for the growth of the foundation industry. However, the construction industry becomes more and more competitive due to the increase in the number of competitors. As such, the Group strives to develop its relationship with different customers for exploring future opportunities. The Group would continue to focus on its core businesses on foundation works and ancillary services and construction wastes handling services in Hong Kong. In order to achieve the continuing growth of its core businesses, the Group would reinforce its well-established position in the market via its reputation, expertise and experienced management.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds of the share offer received by the Company in relation to the Listing were approximately HK\$60.2 million, after deduction of underwriting fees and commissions and expenses. These proceeds are intended to be applied in accordance with the proposed application set out in the paragraph headed "Future plans and use of proceeds" in the prospectus of the Company in connection with the Listing dated 21 August 2015. Such uses were to acquire machinery and equipment, strengthen the workforce and manpower, repay the outstanding bank borrowings to reduce our finance costs and fund general working capital as follows:

	Planned use of proceeds	Actual use of proceeds from the Listing Date to 31 March 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Repayment of the outstanding bank borrowing	8,000	5,583
Acquisition of machinery and equipment	36,500	27,646
Strengthening the workforce and manpower	10,200	4,718
General working capital	5,500	5,500
	<u>60,200</u>	<u>43,447</u>

The Directors are not aware of material change to the planned use of proceeds as at the date of this announcement. Any net proceeds that were not applied immediately have been placed in short-term demand deposits with authorised financial institutions or licensed banks in Hong Kong as at the date of this announcement.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group has funded the liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, cash inflows from operating activities and proceeds received from the Listing on the Listing Date.

As at 31 March 2016, the Group had cash and bank balances of approximately HK\$50.3 million (31 March 2015: approximately HK\$22.5 million). The increase was mainly due to the net proceeds received from the Listing. The interest-bearing loans of the Group as at 31 March 2016 was approximately HK\$29.9 million (31 March 2015: approximately HK\$25.7 million).

The gearing ratio is calculated based on the amount of total interest-bearing loans divided by total equity. The gearing ratio of the Group as at 31 March 2016 was approximately 17.9% (as at 31 March 2015: approximately 29.8%). As a result of the increased equity following the listing of the Company, the Group's gearing ratio decreased. The Group did not carry not any hedging for its floating borrowings.

PLEDGE OF ASSETS

The Group's machinery and equipment with an aggregate net book value of approximately HK\$12.7 million and HK\$13.3 million and motor vehicles with an aggregate net book value of approximately HK\$6.8 million and HK\$9.9 million as at 31 March 2016 and 2015, respectively, were pledged under finance leases.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Review Period.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

During the Review Period, the Group did not hold any significant investments nor have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures apart from the reorganisation of the Group disclosed in the Prospectus.

CAPITAL COMMITMENTS

The Group had capital commitment amounted to approximately HK\$6.4 million as at 31 March 2016 (31 March 2015: approximately HK\$0.2 million).

CONTINGENT LIABILITIES

Save as disclosed in note 16 to the consolidated financial statements in this announcement, the Group had no other contingent liabilities as at 31 March 2016.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2016, the Group employed 236 staff (31 March 2015: 275 staff). Total staff costs including directors' emoluments for the Review Period, amounted to approximately HK\$96.4 million (for the year ended 31 March 2015: approximately HK\$68.6 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group provides adequate job training to the employees to equip them with practical knowledge and skills.

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

No purchase, sale or redemption of the Company's listed securities was made from the Listing Date and up to the date of this announcement.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Review Period, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

On 17 August 2015, the Group and each of Mr. Ip Ying Chau, Mr. Chan Wing Chung and Grand Jade (the "**Covenantors**") has executed a deed of non-competition (the "**Deed of Non-competition**"), pursuant to which they have irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of each other member of the Group). Details of which are set out in the section headed "Relationship with our controlling shareholders – Non-Competition Undertaking" in the Prospectus.

Each of the Covenantors declared that they have complied with the Deed of Non-competition. The independent non-executive Directors have conducted such review for the Review Period and also reviewed the relevant undertakings and are satisfied that the Deed of Non-competition has been fully complied.

EVENTS AFTER THE REVIEW PERIOD

On 29 April 2016, Mr. Mui Wai Sum was appointed as an executive Director. For details, please refer to the Company's announcement dated 29 April 2016.

On 26 May 2016, the Company issued and allotted a total of 168,000,000 ordinary Shares to not less than six placees who and whose ultimate beneficial owners are not connected persons of the Company and are third parties independent of, and not connected with, the Company, any Director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates at a price of HK\$0.5 per Share. The net proceeds of the placing (after deducting all applicable costs and expenses of the placing) was approximately HK\$81 million. As stated in the announcement of the Company dated 13 May 2016, the Company will allocate (i) approximately HK\$16 million out of the net proceeds from the placing of approximately HK\$81 million for general working capital purposes, among which, approximately HK\$8 million will be used for loan repayment and approximately HK\$8 million will be allocated as general working capital; and (ii) the remaining of the net proceeds of approximately HK\$65 million for financing any potential investment opportunities of the Group that may arise from time to time. As at the date of this announcement, the Group agreed to acquire an office premise as an investment property from an independent third party at a consideration of HK\$10.2 million. The unutilised portion of the net proceeds from the placing is held in cash and cash equivalents and intended that it will be applied in the manner consistent with the proposed allocations. For details, please refer to the Company's announcements dated 10 May 2016, 13 May 2016 and 26 May 2016.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the Review Period (2015: Nil).

CORPORATE GOVERNANCE CODE

The Company has applied the principles of and complied with the applicable code provisions of the Code on Corporate Governance Practices as set out Appendix 14 (the “**CG Code**”) to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) from the Listing Date up to the date of this announcement save for the deviation from code deviation from A.2.1 which is explained below. The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual.

Mr. Ip Ying Chau is the Chairman and the chief executive officer of the Company. With his extensive experience in the industry, the Board believes that vesting the roles of both Chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ip Ying Chau performs both the

roles of Chairman and chief executive officer, the division of responsibilities between the Chairman and chief executive officer is clearly established. The two roles are performed by Mr. Ip Ying Chau distinctly. The Company considers that it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules. In response to a specific enquiry by the Company, all Directors have confirmed that they complied with the requirements of the Model Code since the Listing Date and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in accordance with the requirements of the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is to serve as a focal point for communication between other directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive directors, namely Mr. Cheung Kwok Yan Wilfred (chairman), Mr. Feng Zhidong and Mr. Ho Ho Ming.

REVIEW OF ANNUAL RESULTS

The Group's consolidated annual financial statements for the Review Period have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules since the Listing Date and up to the date of this announcement.

PUBLICATION

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.leapholdings.hk. The annual report of the Company for the Review Period containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication and contribution to the Group. In addition, I would like to thank all of our shareholders and investors for their support and our customers for their patronage.

By order of the Board
LEAP Holdings Group Limited
Ip Ying Chau
Chairman

Hong Kong, 27 June 2016

As at the date of this announcement, the Board comprises Mr. Ip Ying Chau (Chairman), Mr. Chan Wing Chung, Ms. Tung Ah Pui Athena, Mr. Chan Chiang Kan and Mr. Mui Wai Sum as executive Directors, and Mr. Cheung Kwok Yan Wilfred, Mr. Feng Zhidong and Mr. Ho Ho Ming as independent non-executive Directors.