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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2016 amounted to approximately HK\$168.8 million (for the six months ended 30 September 2015: approximately HK\$197.9 million).
- Profit attributable to the owners of the Company for the six months ended 30 September 2016 amounted to approximately HK\$9.9 million (for the six months ended 30 September 2015: approximately HK\$12.9 million).
- Basic and diluted earnings per share for the six months ended 30 September 2016 amounted to approximately HK cents 0.41 (for the six months ended 30 September 2015: approximately HK cents 0.63).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2016 (2015: HK\$25.0 million).

The board (the “**Board**”) of directors (the “**Directors**”) of LEAP Holdings Group Limited (the “**Company**”, together with subsidiaries of the Company, the “**Group**”) is pleased to announce the unaudited consolidated financial results of the Group for the six months ended 30 September 2016 (the “**Period**”) together with comparative figures for the six months ended 30 September 2015 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

		Six months ended	
		30 September	
		2016	2015
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	6	168,820	197,867
Cost of sales		(146,234)	(155,689)
Gross profit		22,586	42,178
Other income and net gains	6	1,474	795
Administrative and other operating expenses		(11,327)	(24,506)
Operating profit		12,733	18,467
Finance costs	7	(569)	(578)
Profit before income tax	8	12,164	17,889
Income tax expense	9	(2,229)	(4,941)
Profit and total comprehensive income for the period		9,935	12,948
Basic and diluted earnings per share (HK cents)	10	0.41	0.63

Details of dividends are disclosed in Note 11 to the condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	<i>Notes</i>	As at 30 September 2016 <i>HK\$'000</i> (Unaudited)	As at 31 March 2016 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	60,044	62,261
Investment properties	13	11,047	–
Intangible assets		430	–
		<u>71,521</u>	<u>62,261</u>
Current assets			
Trade and other receivables	14	68,743	119,105
Gross amounts due from customers for contract work		82,706	26,363
Financial assets at fair value through profit or loss	15	33,089	–
Loan receivables		20,000	–
Cash and cash equivalents		143,165	50,251
		<u>347,703</u>	<u>195,719</u>
Total assets		<u>419,224</u>	<u>257,980</u>
EQUITY			
Capital and reserves			
Share capital	16	26,310	22,880
Reserves		320,326	143,581
Total equity		<u>346,636</u>	<u>166,461</u>
LIABILITIES			
Non-current liabilities			
Borrowings	17	7,530	14,046
Deferred tax liabilities		5,535	5,787
		<u>13,065</u>	<u>19,833</u>
Current liabilities			
Trade and other payables	18	28,713	36,405
Gross amounts due to customers for contract work		1,953	16,544
Borrowings	17	25,296	15,823
Current income tax liabilities		3,561	2,914
		<u>59,523</u>	<u>71,686</u>
Total liabilities		<u>72,588</u>	<u>91,519</u>
Total equity and liabilities		<u>419,224</u>	<u>257,980</u>
Net current assets		<u>288,180</u>	<u>124,033</u>
Total assets less current liabilities		<u>359,701</u>	<u>186,294</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i> <i>(Note a)</i>	Merger reserve <i>HK\$'000</i> <i>(Note b)</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2015	1	–	–	–	86,176	86,177
Profit and total comprehensive income for the period	–	–	–	–	12,948	12,948
Dividends paid	–	–	–	–	(25,000)	(25,000)
Reorganisation	(1)	–	–	1	–	–
Shares issued pursuant to the capitalisation issue	20,020	(20,020)	–	–	–	–
Shares issued under share offer	2,860	68,640	–	–	–	71,500
Shares issuance costs	–	(3,363)	–	–	–	(3,363)
Deemed capital contribution	–	–	7,922	–	–	7,922
Balance at 30 September 2015	<u>22,880</u>	<u>45,257</u>	<u>7,922</u>	<u>1</u>	<u>74,124</u>	<u>150,184</u>
Balance at 1 April 2016	22,880	45,257	7,922	1	90,401	166,461
Profit and total comprehensive income for the period	–	–	–	–	9,935	9,935
Shares issued under placing	3,430	171,570	–	–	–	175,000
Shares issuance costs	–	(4,760)	–	–	–	(4,760)
Balance at 30 September 2016	<u>26,310</u>	<u>212,067</u>	<u>7,922</u>	<u>1</u>	<u>100,336</u>	<u>346,636</u>

Notes:

- a. The capital reserve represents the deemed capital contribution from the Company's shareholder, Grand Jade Group Limited ("Grand Jade"), in relation to listing expenses reimbursed to the Company during the period ended 30 September 2015.
- b. The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the Reorganisation (as defined in Note 1 to the condensed consolidated interim financial statements).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	<u>(61,612)</u>	<u>4,464</u>
Net cash used in investing activities	<u>(18,102)</u>	<u>(2,659)</u>
Net cash generated from financing activities	<u>169,984</u>	<u>53,198</u>
Net increase in cash and cash equivalents	90,270	55,003
Cash and cash equivalents at beginning of period	<u>50,251</u>	<u>18,156</u>
Cash and cash equivalents at end of period, represented by cash, bank balances, cash at other financial institutions and bank overdrafts	<u>140,521</u>	<u>73,159</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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, provision of construction wastes handling, investment in securities and money lending business.

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 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 condensed consolidated interim financial statements for the six months ended 30 September 2016 have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated interim financial statements should be read in conjunction with the Group's audited annual financial statements for the year ended 31 March 2016 (the "Annual Financial Statements").

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss and investment properties which are carried at fair value. Except for the accounting policies for new transactions and events as described below, the significant accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those described in the Annual Financial Statements.

(a) Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of profit or loss and other comprehensive income as part of a valuation gain or loss in “Other income and net gains”.

(b) Intangible assets

Separately acquired intangible assets are shown at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets with finite useful lives are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

(c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated statement of profit or loss and other comprehensive income within “Revenue” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income as part of income when the Group’s right to receive payments is established.

(d) Rental income

Rental income from lease of investment properties is recognised based on the straight-line basis over the lease terms.

The adoption of the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA for the first time for the current period’s financial statements, has had no material impact on the condensed consolidated interim financial statements.

The Group has not yet adopted any new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and revised HKFRSs on the Group’s results and financial position.

The condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group’s activities exposed it to a variety of financial risks: interest rate risk, credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Annual Financial Statements.

There have been no changes in the risk management policies since year end.

4.2 Liquidity risk

Compared to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

At 30 September 2016, all financial assets at fair value through profit or loss are measured at level 1.

There were no transfers between levels.

There were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

There were no reclassifications of financial assets.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the critical accounting estimates and judgements applied are consistent with those described in the Annual Financial Statements.

6. REVENUE AND SEGMENT INFORMATION

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

	Six months ended	
	30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Foundation works and ancillary services	127,465	164,733
Rental income from lease of machinery	807	584
Construction wastes handling	37,627	32,550
Investment in securities	2,906	–
Money lending	15	–
	<u>168,820</u>	<u>197,867</u>
Other income and net gains		
Interest income	46	46
Gain on disposal of property, plant and equipment	1,249	130
Government grants	–	280
Rental income from lease of investment properties	104	–
Others	75	339
	<u>1,474</u>	<u>795</u>

Segment information

Management has determined the operating segments based on the reports reviewed by the directors of the Company, 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
- Construction wastes handling
- Investment in securities
- Money lending

Segment revenue is measured in a manner consistent with that in the interim condensed consolidated statement 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 interim condensed consolidated statement of financial position except unallocated cash and cash equivalents and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the interim condensed 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	Investment in securities HK\$'000	Money lending HK\$'000	Total HK\$'000
Period ended 30 September 2016					
(Unaudited)					
Revenue					
External revenue	<u>128,272</u>	<u>37,627</u>	<u>2,906</u>	<u>15</u>	<u>168,820</u>
Segment results	<u>12,707</u>	<u>6,958</u>	<u>2,906</u>	<u>15</u>	22,586
Unallocated income					1,474
Unallocated corporate expenses					(11,327)
Finance costs					(569)
Profit before income tax					12,164
Income tax expense					(2,229)
Profit for the period					<u>9,935</u>
Included in segment results are:					
Depreciation	<u>6,643</u>	<u>3,198</u>	<u>–</u>	<u>–</u>	<u>9,841</u>

	Foundation works and ancillary services HK\$'000	Construction wastes handling HK\$'000	Investment in securities HK\$'000	Money lending HK\$'000	Total HK\$'000
At 30 September 2016 (Unaudited)					
Segment assets	177,829	25,710	33,089	20,445	257,073
Unallocated assets					162,151
Total assets					<u>419,224</u>
Segment liabilities	23,180	2,046	–	–	25,226
Unallocated liabilities					5,440
Borrowings					32,826
Current income tax liabilities					3,561
Deferred tax liabilities					5,535
Total liabilities					<u>72,588</u>
	Foundation works and ancillary services HK\$'000	Construction wastes handling HK\$'000	Investment in securities HK\$'000	Money lending HK\$'000	Total HK\$'000
Period ended 30 September 2015 (Unaudited)					
Revenue					
External revenue	<u>165,317</u>	<u>32,550</u>	<u>–</u>	<u>–</u>	<u>197,867</u>
Segment results	<u>39,593</u>	<u>2,585</u>	<u>–</u>	<u>–</u>	42,178
Unallocated income					795
Unallocated corporate expenses					(24,506)
Finance costs					(578)
Profit before income tax					17,889
Income tax expense					(4,941)
Profit for the period					<u>12,948</u>
Included in segment results are:					
Depreciation	<u>6,165</u>	<u>1,880</u>	<u>–</u>	<u>–</u>	<u>8,045</u>

	Foundation works and ancillary services <i>HK\$'000</i>	Construction wastes handling <i>HK\$'000</i>	Investment in securities <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2016 (Audited)					
Segment assets	233,096	17,522	–	–	250,618
Unallocated assets					7,362
Total assets					<u>257,980</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>

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.

7. FINANCE COSTS

	Six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on finance leases	432	432
Interest on bank overdrafts and bank borrowings	137	146
	<u>569</u>	<u>578</u>

8. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging the following:

	Six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation of owned assets	5,788	5,076
Depreciation of leased assets	4,264	3,185
Operating lease rental on premises	653	629
Listing expenses (included in administrative and other operating expenses)	–	12,021
Staff costs, including directors' emoluments		
– salaries and allowances	36,832	44,718
– retirement scheme contributions	1,437	1,931
	<u>5,788</u>	<u>5,076</u>

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both periods.

	Six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
– Current income tax	2,481	4,914
– Deferred income tax	(252)	27
	<u>2,229</u>	<u>4,941</u>

10. EARNINGS PER SHARE

For the purpose of these condensed consolidated interim financial statements, 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 for the respective periods;
- (ii) the weighted average number of ordinary shares issued during the period ended 30 September 2016; and
- (iii) the weighted average number of 2,002,000,000 shares (comprising 10,000 shares in issue and 2,001,990,000 shares issued under the capitalisation issue) as if these 2,002,000,000 shares were outstanding throughout the period ended 30 September 2015 and the weighted average number of 286,000,000 shares issued under share offer during the period ended 30 September 2015.

	Six months ended	
	30 September	
	2016	2015
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK\$'000)	9,935	12,948
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	2,413,158	2,047,322
Basic earnings per share (HK cents)	0.41	0.63

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the respective periods.

11. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 September 2016 (2015: HK\$25,000,000).

	Six months ended	
	30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends	–	25,000

12. PROPERTY, PLANT AND EQUIPMENT

Property,
plant and
equipment
HK\$'000

Six months ended 30 September 2016 (Unaudited)

Net book value

Opening amount as at 1 April 2016

Additions	62,261
Acquisition of a subsidiary	9,388
Disposals	22
Depreciation	(1,575)
	(10,052)

Closing amount as at 30 September 2016

60,044

Six months ended 30 September 2015 (Unaudited)

Net book value

Opening amount as at 1 April 2015

Additions	49,982
Disposals	4,789
Depreciation	(397)
	(8,261)

Closing amount as at 30 September 2015

46,113

13. INVESTMENT PROPERTIES

Investment
properties
HK\$'000

Six months ended 30 September 2016 (Unaudited)

Net book value

Opening amount as at 1 April 2016

Additions	–
	11,047

Closing amount as at 30 September 2016

11,047

14. TRADE AND OTHER RECEIVABLES

	As at 30 September 2016 <i>HK\$'000</i> (Unaudited)	As at 31 March 2016 <i>HK\$'000</i> (Audited)
Trade receivables	26,520	74,282
Other receivables, deposits and prepayments	7,227	6,999
Retention receivables	34,996	37,824
	<hr/>	<hr/>
	68,743	119,105
	<hr/> <hr/>	<hr/> <hr/>

Note:

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

	As at 30 September 2016 <i>HK\$'000</i> (Unaudited)	As at 31 March 2016 <i>HK\$'000</i> (Audited)
0-30 days	23,472	51,609
31-60 days	73	10,774
61-90 days	–	668
Over 90 days	2,975	11,231
	<hr/>	<hr/>
	26,520	74,282
	<hr/> <hr/>	<hr/> <hr/>

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2016 <i>HK\$'000</i> (Unaudited)	As at 31 March 2016 <i>HK\$'000</i> (Audited)
Held-for-trading investments		
Equity securities listed in Hong Kong	33,089	–
	<hr/>	<hr/>
	33,089	–
	<hr/> <hr/>	<hr/> <hr/>

16. SHARE CAPITAL

	<i>Note</i>	Number of shares	Share capital HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each			
Authorised:			
On 15 May 2015 (date of incorporation)	<i>b</i>	38,000,000	380
Increase in authorised share capital	<i>c</i>	9,962,000,000	99,620
		<hr/>	<hr/>
As at 30 September 2015, 1 April 2016 and 30 September 2016		<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:			
On 15 May 2015 (date of incorporation)	<i>b</i>	1	–
Shares issued upon Reorganisation	<i>d</i>	9,999	–
Shares issued pursuant to the capitalisation issue	<i>e</i>	2,001,990,000	20,020
Shares issued under share offer	<i>f</i>	286,000,000	2,860
		<hr/>	<hr/>
As at 30 September 2015		<u>2,288,000,000</u>	<u>22,880</u>
As at 1 April 2016		2,288,000,000	22,880
Shares issued under placing	<i>g</i>	168,000,000	1,680
Shares issued under placing	<i>h</i>	175,000,000	1,750
		<hr/>	<hr/>
As at 30 September 2016		<u>2,631,000,000</u>	<u>26,310</u>

Notes:

- (a) The balance of share capital at 31 March 2015 represents the aggregate of the paid up share capital of the subsidiaries comprising the Group prior to the Reorganisation.
- (b) Upon incorporation, the authorised share capital of the Company was HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. One share was allotted and issued nil-paid to the subscriber on 15 May 2015, which was then transferred to Grand Jade on the same date.
- (c) On 12 August 2015, the then sole shareholder resolved to increase the authorised share capital of the Company from HK\$380,000 to HK\$100,000,000 by the creation of an additional 9,962,000,000 shares, each ranking *pari passu* with the shares then in issue in all respects.
- (d) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Glory Port International Limited from Grand Jade, on 23 July 2015, (i) the 1 nil-paid share then held by Grand Jade was credited as fully paid, and (ii) 9,999 shares, all credited as fully paid, were allotted and issued to Grand Jade.

- (e) Pursuant to the written resolutions of the sole shareholder of the Company passed on 12 August 2015, the Company issued and allotted a total of 2,001,990,000 ordinary shares of the Company credited as fully paid to the then sole shareholder of the Company's shares on the register of members at the close of business on 11 August 2015 by way of capitalisation of the sum of HK\$20,019,900 standing to the credit of the share premium account of the Company.
- (f) On 1 September 2015, 286,000,000 ordinary shares of HK\$0.01 each were issued to the public at a price of HK\$0.25 per share for cash totalling HK\$71,500,000 by way of share offer. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK\$3,363,000, were credited to the share premium account of the Company.
- (g) On 26 May 2016, 168,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.50 per share for cash totalling HK\$84,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK\$2,940,000, were credited to the share premium account of the Company.
- (h) On 23 September 2016, 175,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.52 per share for cash totalling HK\$91,000,000 by way of placing. The excess of the issue price over the par value of the shares, net of issuance costs of approximately HK\$1,820,000, were credited to the share premium account of the Company.

17. BORROWINGS

	As at 30 September 2016 HK\$'000 (Unaudited)	As at 31 March 2016 HK\$'000 (Audited)
Non-current		
Finance lease liabilities	7,530	14,046
Current		
Bank overdrafts	2,644	–
Bank borrowings	10,737	873
Finance lease liabilities	11,915	14,950
	25,296	15,823
Total borrowings	32,826	29,869

18. TRADE AND OTHER PAYABLES

	As at 30 September 2016 HK\$'000 (Unaudited)	As at 31 March 2016 HK\$'000 (Audited)
Trade payables	23,273	29,031
Accruals and other payables	5,440	7,374
	<u>28,713</u>	<u>36,405</u>

Note:

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

	As at 30 September 2016 HK\$'000 (Unaudited)	As at 31 March 2016 HK\$'000 (Audited)
0-30 days	14,072	15,849
31-60 days	438	9,773
61-90 days	1,433	59
Over 90 days	7,330	3,350
	<u>23,273</u>	<u>29,031</u>

19. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the period but not yet incurred were as follows:

	As at 30 September 2016 HK\$'000 (Unaudited)	As at 31 March 2016 HK\$'000 (Audited)
Property, plant and equipment	–	6,400
Investment properties	14,094	–
	<u>14,094</u>	<u>–</u>

20. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) The Group did not have any significant related party transaction with related parties during the period.

(b) Key management compensation

	Six months ended	
	30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and allowances	2,407	1,727
Retirement scheme contributions	36	38
	<hr/>	<hr/>
	2,443	1,765
	<hr/> <hr/>	<hr/> <hr/>

21. 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 30 September 2016, there were a number of ongoing employees' compensation claims and 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.

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. During the Period, the Group has commenced the investment in securities business and the money lending business in order to broaden the Group's investment strategy.

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.

For the Period, revenue from this segment amounted to approximately HK\$128.3 million, approximately HK\$37.0 million less than the corresponding period in 2015. Such decrease was mainly attributable to keen competition in the market resulting that the contract sum of the newly awarded projects during the Period was less than that of the completed projects including major projects in Ma On Shan, Sha Tin and Kwun Tong, in which majority of revenue was recognised in the corresponding period in 2015.

Gross profit of this segment for the Period was approximately HK\$12.7 million, which decreased by approximately 67.9% as compared with approximately HK\$39.6 million for the corresponding period in 2015. Such decrease was mainly due to a decrease in revenue from foundation projects and the overall market participants had to reduce the profit margin of new foundation projects in order to compete in the market.

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.

For the Period, revenue from this segment amounted to approximately HK\$37.6 million, which increased approximately HK\$5.0 million as compared with approximately HK\$32.6 million for the corresponding period in 2015.

Gross profit of this segment for the Period was approximately HK\$7.0 million, which increased by approximately 169.2% as compared with approximately HK\$2.6 million for the corresponding period in 2015. Such increase was mainly due to a decrease in cost of sales. The decrease in cost of sales was mainly attributable to: (i) the decrease in average purchase price of diesel fuel which is primarily used for transportation; (ii) the decrease in the machinery rental cost after the purchase of machinery and motor vehicles; and (iii) the decrease in the usage of parts and consumables for machinery and motor vehicles after the replacement of old ones.

New Projects Awarded

During the Period, the Group had been awarded 6 new contracts with total contract value of approximately HK\$126.2 million. The details of the new projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Chai Wan district	Earthwork and steel platform works
Foundation and Ancillary Works	Tuen Mun district	Demolition works
Foundation and Ancillary Works	Central and Western district	Site formation and mini-piling works
Foundation and Ancillary Works	Islands district	Excavation and structure works
Foundation and Ancillary Works	Tuen Mun district	Site formation, ELS and foundation works
Foundation and Ancillary Works	Kwai Tsing district	Site formation and ELS works

Project in Progress

As at 30 September 2016, the Group had 15 projects in progress with total contract value amounted to approximately HK\$478.2 million. The details of projects in progress are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Chai Wan district	Earthwork and steel platform works
Foundation and Ancillary Works	Tuen Mun district	Demolition works
Foundation and Ancillary Works	Central and Western district	Site formation and mini-piling works
Foundation and Ancillary Works	Tuen Mun district	Site formation, ELS and foundation works
Foundation and Ancillary Works	Kwai Tsing district	Site formation and ELS works
Foundation and Ancillary Works	Southern district	Foundation works
Foundation and Ancillary Works	Eastern district	Bored piles construction works
Foundation and Ancillary Works	Yau Tsim Mong district	Disposal of excavated materials
Foundation and Ancillary Works	Tsuen Wan district	Hoarding and demolition works
Foundation and Ancillary Works	Kowloon City district	Piling foundation works and ancillary works
Foundation and Ancillary Works	Yuen Long district	Site formation, ELS, concrete footing construction
Foundation and Ancillary Works	Wan Chai district	Hoarding and demolition works
Foundation and Ancillary Works	Kwai Tsing district	Reinforced concrete structure works
Foundation and Ancillary Works	Yau Tsim Mong district	ELS and piling and structure works
Construction Wastes Handling	Tseung Kwan O Area 137 and Tuen Mun Area 38	Operation of temporary construction waste sorting facilities

Completed Projects

During the Period, the Group completed 9 projects with total contract value amounted to approximately HK\$315.0 million. The details of completed projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation and Ancillary Works	Islands district	Excavation and structure works
Foundation and Ancillary Works	Sai Kung district	Hoarding, pipe pile and ancillary works
Foundation and Ancillary Works	Southern district	Piling, foundation works and ancillary works
Foundation and Ancillary Works	Eastern district	Hoarding, foundation and ELS works
Foundation and Ancillary Works	Sha Tin district	Hoarding, foundation and ELS works
Foundation and Ancillary Works	Kwun Tong district	ELS works
Foundation and Ancillary Works	Sha Tin district	Site formation and ELS works
Foundation and Ancillary Works	Yau Tsim Mong district	ELS and piling Works
Foundation and Ancillary Works	Kowloon City district	Earthwork

Investment in securities

During the Period, the Group has commenced a new business segment of investment in securities in order to diversify the Group's business. The Group has invested in a portfolio of listed securities in Hong Kong.

As at 30 September 2016, the Group managed a portfolio of listed securities with aggregate market value of approximately HK\$33.1 million. During the Period, the Group recorded a profit in the segment of investment in securities of approximately HK\$2.9 million. The Company has been continuously evaluating the performance of its existing investment portfolio and looking for other investment opportunities. The Company may make suitable investment decisions based on the then market situation, which may include investing in new listed securities and/or disposing the existing listed securities and/or diversifying its investment portfolio in order to improve returns and minimise risks.

Money lending

During the Period, the Group obtained the money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and commenced its money lending business since then. The Directors consider it will be beneficial to the Group to explore new opportunities in the money lending business to widen its revenue base and minimise the risks of the Group overall, in order to enhance the capital use of the Group as well as the interests of the Company and its shareholders overall.

During the Period, except for the commencement of investment in securities business and money lending business, the Group had no material changes in its business nature and principal activities.

Financial Review

Revenue

The Group recorded revenue of approximately HK\$168.8 million for the Period, representing a decrease of approximately 14.7% compared with approximately HK\$197.9 million for the corresponding period in 2015. The decrease was mainly due to keen competition in the market of foundation works and ancillary services resulting that the contract sum of the newly awarded projects during the Period was less than that of the completed projects including major projects in Ma On Shan, Sha Tin and Kwun Tong, in which majority of revenue was recognised in the corresponding period in 2015.

Gross profit and gross profit margin

The gross profit of the Group for the Period amounted to approximately HK\$22.6 million, representing a decrease of approximately 46.4% compared with approximately HK\$42.2 million for the corresponding period in 2015. The gross profit margin decreased by 7.9 percentage points to 13.4% for the Period from 21.3% for the same period of last year. Such decrease was mainly due to the decrease in revenue from foundation projects and the overall market participants had to reduce the profit margin of new foundation projects in order to compete in the market.

Other income and net gains

Other income and net gains of the Group amounted to approximately HK\$1.5 million, representing an increase of approximately 87.5% compared with approximately HK\$0.8 million for the corresponding period in 2015.

Administrative and other operating expenses

The administrative and other operating expenses of the Group for the Period amounted to approximately HK\$11.3 million, representing a decrease of approximately 53.9% compared with approximately HK\$24.5 million for the corresponding period in 2015. Such decrease was mainly due to the absence of one-off listing expenses during the Period when compared to the same period of last year.

Finance Costs

Finance costs for the Group during the Period amounted to approximately HK\$569,000, representing a decrease of approximately 1.6% compared with approximately HK\$578,000 for the corresponding period in 2015.

Income Tax Expense

Income tax expense for the Group during the Period amounted to approximately HK\$2.2 million, representing a decrease of approximately 55.1% compared with approximately HK\$4.9 million for the corresponding period in 2015.

Profit and total comprehensive income for the Period

Profit and total comprehensive income for the Period amounted to approximately HK\$9.9 million, representing a decrease of approximately 23.3% compared with approximately HK\$12.9 million for the corresponding period in 2015. Such decrease was primarily attributable to the net effect of the decrease in revenue, gross profit, administrative expenses and income tax expense for the Period as discussed above.

Prospects

The construction industry in Hong Kong is facing keen market competition with the increase in the number of competitors leading to the dilution in the profit margin of awarded contracts. Furthermore, the number of capital works projects dropped due to the filibustering in the Legislative Council causing delay in funding approval for public works. Despite the fact that the construction industry in Hong Kong is facing such uncertainties, the Group expects that the construction industry is under temporary adjustment and looks forward to the rebound from the downturn of the market. The Group's outlook still remains positive towards the construction industry and will proactively look for opportunities to create maximum returns to the shareholders of the Company (the "**Shareholders**").

Use of proceeds from the share offer

The net proceeds of the share offer received by the Company in relation to the listing on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 September 2015 (the "**Listing Date**") 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 put in the paragraph headed "Future plans and use of proceeds" in the prospectus of the Company dated 21 August 2015 (the "**Prospectus**"). Such uses were to acquire machinery and equipment, strengthen the workforce and manpower, repayment of the outstanding bank borrowings to reduce the finance costs and fund general working capital as follows:

	Planned use of proceeds <i>HK\$'000</i>	Actual use of proceeds from the Listing Date to 30 September 2016 <i>HK\$'000</i>
Repayment of the outstanding bank borrowings	8,000	5,583
Acquisition of machinery and equipment	36,500	35,646
Strengthening the workforce and manpower	10,200	4,718
General working capital	5,500	5,500
	<hr/>	<hr/>
	60,200	51,447
	<hr/> <hr/>	<hr/> <hr/>

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 on the 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, internally generated cash flow and proceeds received from the placing of the Company's shares.

As at 30 September 2016, the Group had cash and cash equivalents of approximately HK\$143.2 million (31 March 2016: approximately HK\$50.3 million). The increase was mainly due to the aggregate net proceeds of approximately HK\$170.2 million received from the placing of the Company's shares. For further information of the placing of the Company's shares, please refer to the paragraph "Purchase, sale or redemption of the Company's listed securities" under the section headed "Other Information" of this announcement. The interest-bearing loans of the Group as at 30 September 2016 was approximately HK\$32.8 million (31 March 2016: approximately HK\$29.9 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 30 September 2016 was approximately 9.5% (31 March 2016: approximately 17.9%). This is mainly due to the increase in equity from the placing of the Company's shares.

Pledge of Assets

The Group's machinery and equipment with an aggregate net book value of approximately HK\$7.3 million and HK\$12.7 million and motor vehicles with an aggregate net book value of approximately HK\$3.7 million and HK\$6.8 million as at 30 September 2016 and 31 March 2016, 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 the Group 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 Period.

Employees and Remuneration Policy

As at 30 September 2016, the Group employed 234 staff (31 March 2016: 236 staff). Total staff costs including directors' emoluments for the Period, amounted to approximately HK\$38.3 million (30 September 2015: approximately HK\$46.6 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.

Capital Commitments

The Group had capital commitment amounted to approximately HK\$14.1 million as at 30 September 2016 (31 March 2016: approximately HK\$6.4 million).

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.

As at 30 September 2016, there were a number of ongoing employees' compensation claims and 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 considered necessary.

OTHER INFORMATION

Future plans for material investments or capital assets

On 7 September 2016, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with 10threalm Corporation Limited ("10threalm") in relation to the investment in 10threalm by subscription of new shares of 10threalm as contemplated under the MOU and subject to the execution of a formal agreement between the parties to the MOU (the "**Possible Transaction**"). 10threalm is in the process of obtaining a patent right, registered in the U.S. in regards to a wearable gesture control interface apparatus which is used for controlling devices based on gestures provided by a user. The possible applications of such patent include but not limited to personal computers, personal drones, augmented reality, virtual reality, 3D tracking and sign language translation. As at the date of this announcement, the negotiation is still on-going. For details of the Possible Transaction, please refer to the announcement published by the Company on the website of Stock Exchange dated 7 September 2016.

Save as the above and disclosed in the Prospectus and the Annual Report 2016, the Company does not have any other plans for material investments or capital assets.

Significant investments, acquisitions and disposals

Save for the Possible Transaction as mentioned above, during the Period, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries or associated companies.

Purchase, sale or redemption of the Company's listed securities

On 10 May 2016, the Company and the placing agent, Koala Securities Limited, entered into the placing agreement. On 26 May 2016, the Company issued and allotted a total of 168,000,000 ordinary shares of HK\$0.01 each 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 maximum net proceeds were approximately HK\$81 million, which would be used for the Company's general working capital and funding for potential investments.

On 7 September 2016, the Company and the placing agent, Great Roc Capital Securities Limited, entered into the placing agreement. On 23 September 2016, the Company issued and allotted a total of 175,000,000 ordinary shares of HK\$0.01 each 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\$0.52 per Share. The maximum net proceeds from the placing amounted to approximately HK\$89 million which would be used for financing investment opportunities.

Save as disclosed above, no purchase, sale or redemption of the Company's listed securities was made during the Period and up to the date of this announcement.

Share option scheme

The Company adopted a share option scheme (the "**Share Option Scheme**") with effect from 12 August 2015. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The main purpose of the Share Option Scheme is to motivate employees to optimize their performance efficiency for the benefit of the Company. During the Period and up to the date of this announcement, no option has been granted, exercised, cancelled or lapsed. As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme was 228,800,000, representing 9.32% of the number of the issued shares of the Company.

Interim dividend for the six months ended 30 September 2016

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2016 (30 September 2015: HK\$25 million).

Compliance with the corporate governance code

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability. The Company has adopted the corporate governance code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules as its own code of corporate governance since the Listing Date. Under code provision A.2.1 of the CG Code as set out in Appendix 14 of the Listing Rules, the responsibilities between the chairman and chief executive officer should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Mr. Ip Ying Chau is the chairman and 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. Save for the aforesaid, the Board is of the view that the Company has complied with the code provisions as set out in the CG Code during the Period and up to the date of this announcement.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. In response to a specific enquiry by the Company, all Directors confirmed that they have complied with the requirements of the Model Code during the Period and up to the date of this announcement.

Disclosure required under rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rule, the change of information on the Directors is as follows:

Mr. Mui Wai Sum has been appointed as an executive Director with effect from 29 April 2016.

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 interim results

The Group’s unaudited condensed consolidated financial information for the 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, principles and policies and requirements as well as the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

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 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 and Chief Executive Officer

Hong Kong, 25 November 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.