YAT SING HOLDINGS LIMITED
日成控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3708)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS
(All in Hong Kong dollar)

	Year ended 30 June	
	2017	2016
Revenue	**$513 million**	$488 million
Gross profit	**$45 million**	$45 million
Net profit	**$1 million**	$12 million
Equity attributable to owners of the Company	**$172 million**	$170 million
Basic earnings per share	**0.12 cent**	1.04 cent

RESULTS

The board (the "Board") of directors (the "Directors") of Yat Sing Holdings Limited (the "Company") is pleased to present the consolidated audited results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2017 (the ''Year'') as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Revenue	*3*	**513,455**	488,065
Cost of services		**(468,269)**	(443,118)
Gross profit		**45,186**	44,947
Other income		**1,475**	322
Gain (loss) on fair value change on held-for-trading investments		**59**	(1,135)
Administrative expenses		**(39,784)**	(26,579)
Finance costs	*4*	**(40)**	(409)
Profit before taxation		**6,896**	17,146
Income tax expenses	*5*	**(5,511)**	(5,491)
Profit and total comprehensive income for the year	*6*	**1,385**	11,655
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**1,313**	11,581
Non-controlling interests		**72**	74
		1,385	11,655
Earnings per share (HK cents)			
Basic and diluted	*8*	**0.12**	1.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**6,110**	5,100
Available-for-sale investment		**1,974**	1,974
Rental deposit		**802**	780
		8,886	7,854
Current assets			
Held-for-trading investments		**–**	3,881
Amounts due from customers for contract work		**–**	–
Trade and other receivables	*9*	**233,846**	218,213
Bank balances and cash		**40,049**	52,396
		273,895	274,490
Current liabilities			
Trade and other payables	*10*	**105,618**	104,689
Obligations under finance leases – due within one year		**1,124**	1,408
Tax payable		**2,293**	4,184
		109,035	110,281
Net current assets		**164,860**	164,209
Total assets less current liabilities		**173,746**	172,063
Non-current liabilities			
Other payables		**45**	125
Obligations under finance leases – due after one year		**747**	477
Long service payment obligations		**326**	326
Deferred tax liability		**523**	415
		1,641	1,343
Net assets		**172,105**	170,720

	2017	2016
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**11,189**	11,189
Reserves	**160,353**	159,040
Equity attributable to:		
Owners of the Company	**171,542**	170,229
Non-controlling interests	**563**	491
Total equity	**172,105**	170,720

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 17 September 2014 as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 14 January 2015.

The Company acts as an investment holding company and the principal activities of its subsidiaries are provision of building maintenance services and renovation services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS(s)") issued by the Hong Kong Institute of Certified Public Accountants (the ''HKICPA''). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is also the functional currency of the Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Application of new and revised HKFRSs

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and interpretations ("Int(s)"), issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Transfers of Investment Property[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[5]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[3]

1 Effective for annual periods beginning on or after 1 January 2017.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective for annual periods beginning on or after 1 January 2019.
4 Effective date not yet been determined.
5 Effective for annual periods on or after 1 January 2017 or 1 January 2018, as appropriate.

The Directors anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the adoption of HKFRS 9 (2014) in the future may have an impact on the Group's results and financial position, including the classification categories and the measurement of financial assets, and disclosures. For instance, the Group will be required to replace the incurred loss impairment model in HKAS 39 with an expected loss impairment model that will apply to various exposures to credit risk. HKFRS 9 will also change the way the Group classifies and measures its financial assets, and will require the Group to consider the business model and contractual cash flow characteristics of financial assets to determine classification and subsequent measurement. The Group is in the process of assessing the potential impact on the financial performance resulting from the adoption of HKFRS 9. It is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Group is in the process of performing a detailed assessment of the potential impact of the application of HKFRS 15. The impact of the Group is expected to include more comprehensive disclosure as requested by the new standard. In addition, contracts that contain two or more performance obligations would be accounted for separately and this could affect the timing of the recognition of revenue.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective.

As at 30 June 2017, the Group has non-cancellable operating lease commitments of approximately HK$5,300,000. HKAS 17 does not require the recognition of any right-of-use asset or liability for further payments for these leases. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use assets and corresponding liability in respect of all these lease unless they qualify for low value or short-term leases upon the application of HKFRS 16. The new requirements to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amount recognised in the Group's consolidated financial statements and the Directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

Amendments to HKAS 7 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted.

The Directors anticipate that the application of Amendments to HKAS 7 will result in additional disclosures on the Group's financing activities, especially reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

3. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the chairman of the Board, being the chief operating decision maker (the "CODM") for the purposes of resources allocation and performance assessment focuses on services provided are as follows:

i) Building maintenance; and

ii) Renovation.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 30 June 2017

	Building maintenance *HK$'000*	**Renovation** *HK$'000*	**Total** *HK$'000*
Segment revenue	**367,127**	**146,328**	**513,455**
Segment profit	**41,813**	**2,817**	**44,630**
Unallocated corporate income			**1,435**
Gain on fair value change on held-for-trading investments			**59**
Central administration costs			**(39,188)**
Finance costs			**(40)**
Profit before taxation			**6,896**

For the year ended 30 June 2016

	Building maintenance *HK$'000*	Renovation *HK$'000*	Total *HK$'000*
Segment revenue	341,320	146,745	488,065
Segment profit	41,537	3,194	44,731
Unallocated corporate income			322
Loss on fair value change on held-for-trading investments			(1,135)
Central administration costs			(26,363)
Finance costs			(409)
Profit before taxation			17,146

Segment profit represents the profit earned by each segment without allocation of certain unallocated corporate income, gain (loss) on fair value change on held-for-trading investments, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales between different business segments for the years ended 30 June 2017 and 2016.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2017 ***HK$'000***	2016 *HK$'000*
Segment assets		
Building maintenance	**105,590**	110,742
Renovation	**84,672**	106,492
Total segment assets	**190,262**	217,234
Unallocated corporate assets	**92,519**	65,110
Total assets	**282,781**	282,344
Segment liabilities		
Building maintenance	**61,188**	56,983
Renovation	**26,034**	43,744
Total segment liabilities	**87,222**	100,727
Unallocated corporate liabilities	**23,454**	10,897
Total liabilities	**110,676**	111,624

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, available-for-sale investment, rental deposit, held-for-trading investments, certain other receivables and bank balances and cash as these assets are managed on a group basis.

- all liabilities are allocated to reportable and operating segments other than certain other payables, obligations under finance leases, tax payable, long service payment obligations and deferred tax liability as these liabilities are managed on a group basis.

4. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on:		
Bank borrowings	**–**	340
Obligations under finance leases	**40**	69
	40	409

5. INCOME TAX EXPENSES

	2017	2016
	HK$'000	*HK$'000*
Hong Kong Profits Tax:		
Current tax	**3,989**	3,903
Under-provision in prior years	**1,414**	1,498
	5,403	5,401
Deferred tax	**108**	90
	5,511	5,491

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (''BVI''), the Group is not subject to any income tax in the Cayman Islands and BVI.

6. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2017	2016
	HK$'000	*HK$'000*
Staff costs (including Directors' emoluments)		
Directors' emoluments	**4,502**	6,059
Salaries, allowances and other benefits	**40,399**	34,834
Long service payment obligations	**–**	108
Contributions to retirement benefits scheme	**1,010**	1,189
Total staff costs	**45,911**	42,190
Auditor's remuneration	**1,112**	936
Depreciation of property, plant and equipment		
Owned assets	**748**	571
Assets held under finance leases	**647**	546
Net (gain) loss on disposal of property, plant and equipment	**(76)**	216
Minimum lease payments paid under operating lease	**4,501**	1,906
Provision for impairment of other receivables	**596**	–

7. DIVIDENDS

No dividend was paid or proposed during the Year, nor has any dividend been proposed since the end of reporting period (2016: nil).

8. EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**1,313**	11,581

	2017	2016
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,118,800**	1,118,800

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares during the years ended 30 June 2017 and 2016.

9. TRADE AND OTHER RECEIVABLES

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an ageing analysis of trade receivables, presented based on the certified report which approximates revenue recognition date at the end of the reporting period, and net of impairment loss recognised:

	2017	2016
	HK$'000	*HK$'000*
Within 90 days	**112,364**	116,700
91 to 180 days	**16,377**	17,190
181 to 365 days	**7,213**	9,331
1 to 2 years	**17,849**	34,684
Over 2 years	**16,250**	10,434
	170,053	188,339

As at 30 June 2017, other receivables of approximately HK$43,215,000 (2016: HK$3,015,000) represented receivables from the sales of construction materials and electronic products transactions, of which net income of approximately of HK$1,190,000 included in other income in consolidated statement of profit or loss and other comprehensive income.

10. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2017	2016
	HK$'000	*HK$'000*
Within 90 days	**39,504**	37,223
91 to 180 days	**10,548**	10,776
181 to 365 days	**3,533**	5,310
1 to 2 years	**9,329**	31,499
Over 2 years	**18,170**	6,199
	81,084	91,007

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS MODEL AND STRATEGY

The Group has more than 50 years of experience and knowledge in the building maintenance and renovation industry and has now become one of the major service providers of the industry in Hong Kong. In 1996, the Group was admitted to the Housing Authority's contractor list under the "Building (Maintenance) Group M2 (confirmed status)" category which enables the Group to tender for Housing Authority contracts for building maintenance and renovation works of unlimited value.

Our corporate objective is to create and enhance value for the Shareholders. To attain such objective, the Group strives to maintain stable growth and profitability by obtaining sustainable projects in both public and private sectors. To monitor projects as a main contractor, we have to carry out overall project management and supervision of works conducted by our subcontractors. As a result, the works performed by subcontractors can be ensured to conform to contractual specifications and be completed on time and within budget.

BUSINESS REVIEW

The Group is a building maintenance and renovation service provider in Hong Kong. All revenue for the Year was derived from building maintenance and renovation services.

Building maintenance services

As at 30 June 2017, we had 7 building maintenance contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contract value of approximately HK$640.5 million. As at 30 June 2016, we had 6 building maintenance contracts on hand with a notional or estimated contract value of HK$1,072.3 million. During the Year, we have completed 2 building maintenance contracts.

Renovation services

As at 30 June 2017, we had 9 renovation contracts on hand (including contracts in progress and contracts which are yet to commence) with a notional or estimated contract value of approximately HK$138.9 million. As at 30 June 2016, we had 6 renovation contracts on hand with a notional or estimated contact value of HK$362.7 million. During the Year, we have completed 9 renovation contracts.

RECENT DEVELOPMENT

Building maintenance services

During the Year, we had been successfully awarded 5 contracts with a notional or estimated contract value of approximately HK$54.7 million. All of the newly awarded contracts were commenced during the Year.

The Group had been awarded a new District Term Contract ("DTC") with a notional or estimated contract value of approximately HK$272.1 million for a contract period of 36 months by Housing Authority in August 2017. The project is expected to commence during the fourth quarter of 2017.

Renovation services

During the Year, we had been successfully awarded 7 contracts with a notional or estimated contract value of approximately HK$104.5 million. Of the newly awarded contracts, 5 of them commenced with a notional or estimated contract value of approximately HK$30.4 million during the Year.

PROSPECTS

Looking forward, with continuous spending on infrastructure and residential building works by public sector, we are expecting stable growth in the building and maintenance and renovation contracting service industry in Hong Kong, on which we keep our business focus. Riding on our operating resources and experience, we believe that we can continue to maintain our competitive edge in the industry to capture the market share for building maintenance and renovation contracting services in Hong Kong.

The Board will conduct a review on the financial position and the operations of the Company and will formulate long-term business plans and strategies of the Company, explore other business opportunities and consider whether any asset disposals, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification may be appropriate in order to enhance the long-term growth potential of the Company.

FINANCIAL REVIEW

Revenue

For the Year, the revenue of the Group was approximately HK$513.5 million representing an increase of approximately HK25.4 million or 5.2% compared with approximately HK$488.1 million for the year ended 30 June 2016. All revenue was derived from building maintenance and renovation services.

Revenue derived from building maintenance services increased by approximately HK$25.8 million or 7.6% from approximately HK$341.3 million for the year ended 30 June 2016 to approximately HK$367.1 million during the Year. With three DTCs already under operation during the Year (its usual full capacity), the commencement of the project for the replacement of collapsible contributed to the increase in revenue.

Revenue derived from renovation services showed a mere decrease of approximately HK$0.4 million or 0.3% from approximately HK$146.7 million for the year ended 30 June 2016 to approximately HK$146.3 million during the Year. The revenue from renovation segment was mainly contributed by project for the conversion of usage of an industrial building, which was the same as last year.

Gross profit

During the Year, the Group's gross profit amounted to approximately HK$45.2 million (2016: HK$44.9 million) representing a slight increase of approximately HK$0.3 million due to the resulted increase in revenue. Gross profit margin for the Year was approximately 8.8% (2016: 9.2%), the decrease was consistent with the decline in gross profit margin for both building maintenance and renovation segments as explained below.

Gross profit attributable to building maintenance services for the Year amounted to approximately HK$42.4 million (2016: HK$41.7 million), representing a slight increase of approximately HK$0.7 million or 1.7% due to the commencement of the project for replacement of collapsible during the Year. The Group's gross profit margin for building maintenance services for the Year was approximately 11.5% (2016: 12.2%). The slight decline in gross profit margin in this segment over the year ended 30 June 2016 was due to the commencement of the project for replacement of collapsible, which had lower gross profit margin than the three DTCs.

Gross profit attributable to renovation services for the Year amounted to approximately HK$2.8 million (2016: HK$3.2 million), representing a decrease of approximately HK$0.4 million or 12.5%. Gross profit margin from renovation services during the Year was approximately 1.9%, which was lower than the year ended 30 June 2016 of approximately 2.2%. With the increase in materials and interior renovation cost of the project for the conversion of usage of an industrial building after practical completion of superstructure, it resulted in decline in gross profit margin.

Other income

Other income of the Group was significant increase from approximately HK$0.3 million for the year ended 30 June 2016 to HK$1.5 million for the Year. The increase was mainly attributable to the sales of construction materials and electronic products which contributed net income of approximately HK$1.2 million.

Administrative expenses

Administrative expenses were approximately HK$39.8 million representing an increase of approximately HK$13.2 million or 49.6% compared with approximately HK$26.6 million for the year ended 30 June 2016.

The significantly higher administrative expenses of this Year was mainly due to, including but not limited to, the increase in staff cost, office rental charge, the professional and other related fees for preparing the composite documents in relation to the unconditional mandatory cash offer of the Company dated 23 December 2016.

Finance costs

Finance costs for the Year amounted to approximately HK$0.04 million (2016: HK$0.4 million). The decrease in finance costs in current year mainly due to no interest incurred on bank loans during the Year.

Income tax

Income tax expenses amounted to approximately HK$5.5 million, which were similar for year ended 30 June 2016.

Profit for the Year

The Group's profit for the Year recorded a substantial decrease by approximately HK$10.3 million or 88.0% from approximately HK$11.7 million for the year ended 30 June 2016 to approximately HK$1.4 million for the Year.

Liquidity, financial resources and capital structure

As at 30 June 2017, the Group had current assets of approximately HK$273.9 million (2016: HK$274.5 million) and current liabilities of approximately HK$109.0 million (2016: HK$110.3 million). The current ratio (which is calculated on the basis of current assets over current liabilities, was 2.5 as at 30 June 2017 which was same as last year ended 30 June 2016.

The Group had total bank balances and cash of approximately HK$40.0 million(2016: HK$52.4 million). All the cash and bank balances are denominated in Hong Kong dollar.

As at 30 June 2017, the share capital and equity attributable to owners of the Company amounted to approximately HK$11.2 million and HK$171.5 million respectively (2016: HK$11.2 million and HK$170.2 million respectively).

Commitments

As at 30 June 2017 and 2016, the Group had outstanding commitments in respect of future minimum lease payments under non-cancellable lease of approximately HK$5.3 million and HK$8.9 million, respectively.

Foreign exchange risk

The Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollar. With the insignificant portion of monetary assets denominated in foreign currencies, the Group did not engage in the any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Year.

Gearing ratio

Gearing ratio is calculated based on the total debts divided by the total equity. The gearing ratio was approximately 2.6% and 3.7% as at 30 June 2017 and 2016, respectively.

Charge over assets of the Group

The Group had no pledged bank deposits as at 30 June 2017 and 2016.

As at 30 June 2017, the Group had motor vehicles amounted to HK$3.8 million held under finance leases (2016: HK$2.8 million).

Significant investments, acquisitions and disposals

Save as disclosed in this announcement, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the Year.

Contingent liabilities

One subsidiary of the Company is a defendant in a number of claims, lawsuits and potential claims relating to employees' compensation cases and personal injuries claims. The Directors considered that the possibility of any outflow in settling the legal claims was remote as these claims were well covered by insurance and subcontractors' indemnity. Accordingly, no provision for the contingent liabilities in respect of the litigations is necessary, after due consideration of each case and with reference to the legal opinion.

Save as disclosed above, the Group had no material contingent liabilities as at 30 June 2017 and 2016.

Employees and remuneration policies

As at 30 June 2017, the Group had approximately 118 employees (2016: 143). The staff related costs included salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave. The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages were subject to review on a regular basis. The emoluments of the Directors and senior management have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

DIVIDENDS

The Board does not recommend the payment of final dividend for the Year (2016: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 7 March 2017, an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the sale and purchase agreement (the "Agreement") with three independent third parties (collectively, the "Vendors"), pursuant to which the Purchaser conditionally agreed to purchase an aggregate 51% equity interest in Jiangyin Grabene Graphene Photocatalytic Technology Co., Ltd.* (江陰嘉潤石墨烯光催化技術有限公司) (the "Target Company") for a total consideration of RMB33,150,000 (equivalent to approximately HK$37,128,000).

On 5 September 2017, the Purchaser and the Vendors entered into a deed of termination, pursuant to which the Purchaser and the Vendors have mutually agreed to terminate the Agreement with immediate effect.

On the same day, the Purchaser then entered into a non-legally binding memorandum of understanding (the "Memorandum of Understanding") with one of the Vendors (together with the Purchaser, the "Parties") to acquire 55% equity interest in the Target Company (the "Acquisition").

Subsequently on 19 September 2017, the Parties entered into a legally binding sale and purchase agreement in relation to the Acquisition for a total consideration of RMB35,750,000 (equivalent to approximately HK$42,453,125) (the "Sale and Purchase Agreement").

Please refer to the announcements of the Company dated 7 March 2017, 12 June 2017, 5 September 2017 and 19 September 2017 for the details of the Agreement, the Deed of Termination, the Memorandum of Understanding and the Sale and Purchase Agreement.

Save as disclosed above, there is no important events effecting the Group which have occurred since the end of the financial year.

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

During the Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with code provisions (the "Code Provisions") as set out under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. During the Year, the Company has complied with all the Code Provisions of the CG Code save as disclosed below.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Kan Yiu Kwok, an non-executive Director, was not able to attend the annual general meeting of the Company held on 30 November 2016 (the "AGM") due to other business engagements. Other Board members who attend the AGM were already of sufficient calibre and number for answering questions raised by the Shareholders at that AGM.

The appointment of Mr. Dai Jian as the Chairman and the Chief Executive Officer constitutes a deviation from the code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The Board is of the view that vesting both roles in Mr. Dai Jian will allow for more effective planning and execution of business strategies. As all major decisions will be made in consultation with the members of the Board, and there are three independent non-executive Directors in the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors' securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code during the Year, and they have all confirmed that they had fully complied with the required standard set out in the Model Code.

Securities Transactions by Senior Management and Staff

The senior management and staff have been individually notified and advised about the Model Code by the Company.

AUDIT COMMITTEE

The Audit Committee was established on 17 December 2014 in compliance with Rule 3.21 of the Listing Rules with written terms of reference in compliance with the CG Code. The Audit Committee consists of Mr. Chan Foon, Mr. Guo Biao and Ms. Song Dan. Currently, Mr. Chan Foon is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the Year.

ANNUAL GENERAL MEETING

The notice of the forthcoming annual general meeting will be published in the Company's website and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CHANGES IN DIRECTORS' INFORMATION

The changes in Directors' information since the disclosure made in the 2016-2017 Interim Report are set out below:

On 3 August 2017, Mr, Dai Jialong resigned as an executive Director and Mr. Dai Ming was appointed as an executive Director.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.yat-sing.com.hk). The annual report for the Year containing all the information required by the Listing Rules will be published on the respective websites of the Company and the Stock Exchange and despatched to the Shareholders in due course.

By order of the Board of
Yat Sing Holdings Limited
Dai Jian
Chairman

Hong Kong, 29 September 2017

* *The English translation of Chinese names or words in this announcement, where indicted, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the Board comprises Mr. Dai Jian and Mr. Dai Ming as executive Directors, and Mr. Chan Foon, Mr. Guo Biao and Ms. Song Dan as independent non-executive Directors.