有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2016

HIGHLIGHTS

The Group reported revenue of HK$7,450,278,000 (2015: HK$9,476,494,000) for the year.

The gross profit was HK$219,088,000 (2015: HK$456,059,000).

Loss for the year was HK$155,833,000 (2015: profit of HK$76,071,000).

Basic and diluted loss per share was approximately HK36.38 cents (2015: earnings per share of HK17.36 cents).

The net asset value attributable to equity holders of the Company as at 31 March 2016 was HK$1,401,860,000 (2015: HK$1,596,156,000), equivalent to HK$3.20 (2015: HK$3.64) per share based on the 438,053,600 (2015: 438,053,600) ordinary shares in issue.

* *For identification purpose only*

The Board of Directors (the "Board") of Yau Lee Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2016 together with comparative figures for the year ended 31 March 2015 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
Revenue	*3*	**7,450,278**	9,476,494
Cost of sales	*5*	**(7,231,190)**	(9,020,435)
Gross profit		**219,088**	456,059
Other income and gains	*4*	**139,628**	94,434
Selling and distribution costs	*5*	**(37,318)**	(26,737)
Administrative expenses	*5*	**(403,333)**	(389,693)
Other operating expenses	*5*	**(27,813)**	(10,260)
Operating (loss)/profit		**(109,748)**	123,803
Finance costs	*6*	**(32,536)**	(28,598)
Share of profit of associates		**363**	706
Share of loss of joint ventures		**(55)**	(59)
(Loss)/profit before income tax		**(141,976)**	95,852
Income tax expense	*7*	**(13,857)**	(19,781)
(Loss)/profit for the year		**(155,833)**	76,071
Attributable to:			
Equity holders of the Company		**(159,347)**	76,064
Non-controlling interests		**3,514**	7
		(155,833)	76,071
Dividend	*8*	**–**	14,807
(Loss)/earnings per share (basic and diluted)	*9*	**(36.38 cents)**	17.36 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(155,833)**	76,071
Other comprehensive loss		
Items that may be reclassified to profit or loss subsequently:		
Currency translation differences	**(16,049)**	(1,092)
Total comprehensive (loss)/income for the year	**(171,882)**	74,979
Attributable to:		
Equity holders of the Company	**(175,389)**	74,972
Non-controlling interests	**3,507**	7
Total comprehensive (loss)/income for the year	**(171,882)**	74,979

CONSOLIDATED BALANCE SHEET
As at 31 March 2016

	Note	**2016** **HK$'000**	2015 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**1,254,044**	1,177,404
Investment properties		**183,520**	97,177
Leasehold land and land use rights		**77,647**	58,020
Intangible assets		**13,566**	14,622
Goodwill		**15,905**	15,905
Associates		**1,465**	1,596
Deferred income tax assets		**22,091**	3,400
Available-for-sale financial assets		**11,800**	11,800
Other non-current assets		**46,238**	62,442
		1,626,276	1,442,366
Current assets			
Cash and bank balances		**639,140**	1,236,477
Trade debtors, net	*10*	**1,203,906**	1,341,801
Prepayments, deposits and other receivables		**458,391**	601,342
Inventories		**111,514**	125,787
Prepaid income tax		**820**	877
Due from customers on construction contracts		**1,135,148**	1,020,610
Financial assets at fair value through profit or loss		**9,124**	42,090
Completed properties held for sale		**176,017**	–
Property under development for sale		**–**	569,459
Due from associates, net		**494**	494
Due from joint ventures/joint operations		**34,459**	33,928
Due from other partners of joint operations		**56,797**	56,797
		3,825,810	5,029,662
Total assets		**5,452,086**	6,472,028

CONSOLIDATED BALANCE SHEET *(Continued)*
As at 31 March 2016

	Note	**2016** **HK$'000**	2015 HK$'000
Equity			
Share capital		**87,611**	87,611
Other reserves		**426,882**	451,405
Retained profits		**887,367**	1,057,140
Attributable to equity holders of the Company		**1,401,860**	1,596,156
Non-controlling interests		**286**	1,667
Total equity		**1,402,146**	1,597,823
Liabilities			
Non-current liabilities			
Long-term borrowings		**748,848**	851,127
Deferred income tax liabilities		**28,351**	3,560
		777,199	854,687
Current liabilities			
Short-term bank loans		**1,065,147**	1,105,000
Current portion of long-term borrowings		**374,540**	494,833
Derivative financial liabilities		**2,967**	11,700
Payables to suppliers and subcontractors	*11*	**563,116**	652,333
Accruals, retention payables, deposits received and other liabilities	*12*	**811,591**	893,738
Income tax payable		**12,751**	27,553
Obligation in respect of joint ventures		**1,457**	1,402
Due to customers on construction contracts		**351,268**	743,434
Due to joint operations		**59,696**	59,696
Due to other partners of joint operations		**30,208**	29,829
		3,272,741	4,019,518
Total liabilities		**4,049,940**	4,874,205
Total equity and liabilities		**5,452,086**	6,472,028

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Capital redemption reserve**	**Currency translation reserve**	**Other reserve**	**Retained profits**	**Sub-total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 April 2014	87,611	413,776	359	38,362	–	991,502	1,531,610	1,660	1,533,270
Comprehensive income:									
Profit for the year	–	–	–	–	–	76,064	76,064	7	76,071
Other comprehensive loss:									
Currency translation differences	–	–	–	(1,092)	–	–	(1,092)	–	(1,092)
2014 final dividend	–	–	–	–	–	(6,045)	(6,045)	–	(6,045)
2015 interim dividend	–	–	–	–	–	(4,381)	(4,381)	–	(4,381)
As at 31 March 2015	87,611	413,776	359	37,270	–	1,057,140	1,596,156	1,667	1,597,823
As at 1 April 2015	**87,611**	**413,776**	**359**	**37,270**	**–**	**1,057,140**	**1,596,156**	**1,667**	**1,597,823**
Comprehensive (loss)/income:									
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**(159,347)**	**(159,347)**	**3,514**	**(155,833)**
Other comprehensive loss:									
Currency translation differences	**–**	**–**	**–**	**(16,042)**	**–**	**–**	**(16,042)**	**(7)**	**(16,049)**
Transactions with non-controlling interests *(Note)*	**–**	**–**	**–**	**–**	**(8,481)**	**–**	**(8,481)**	**(4,888)**	**(13,369)**
2015 final dividend	**–**	**–**	**–**	**–**	**–**	**(10,426)**	**(10,426)**	**–**	**(10,426)**
As at 31 March 2016	**87,611**	**413,776**	**359**	**21,228**	**(8,481)**	**887,367**	**1,401,860**	**286**	**1,402,146**

Note: For the year ended 31 March 2016, the Group acquired additional 40% equity interest of two subsidiaries, Toprun Global Investments Limited ("Toprun") and Gain High Investment Holdings Limited ("Gain High"), each at a consideration of HK$6.1 million. The transaction included call options for the non-controlling interest to re-purchase the 40% equity interest of Toprun and Gain High from the Group. The two call options will be exercisable on 30 June 2016, each with an exercise price of HK$6.4 million, which is above the market prices of the 40% equity interest of Toprun and Gain High. As such, management considered the value of the two call options is minimal. The difference between the consideration for the 40% equity interest of the two subsidiaries and the carrying amount of the non-controlling interest amounting to HK$8.6 million was included in the other reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Yau Lee Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations. The Group is also engaged in other activities which mainly include computer software development and architectural and engineering services.

The Company is a limited liability company incorporated in Bermuda on 25 June 1991. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

These consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 June 2016.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, and investment properties which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(i) New and amended standards adopted by the Group

The following standards and amendments to standards are effective for accounting periods beginning on or after 1 April 2015, and have been adopted in preparing these consolidated financial statements:

Annual Improvements Project	Annual Improvements 2010 – 2012 cycle
Annual Improvements Project	Annual Improvements 2011 – 2013 cycle
HKAS19 (2011) (Amendment)	Defined Benefit Plans: Employee contributions

The application of the above standards and amendments to standards in the current year had no material impact on the Group's consolidated financial statements.

(ii) New accounting standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

A number of new standards and amendments to standards are not yet effective for accounting periods beginning on or after 1 April 2015, and have not been applied in preparing these consolidated financial statements.

HKFRS 14	Regulatory deferral accounts
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKAS 1 (Amendment)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer plants
HKAS 27 (Amendment)	Equity method in separate financial statements
Annual Improvements Project	Annual Improvements 2012 – 2014 cycle
HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture
HKFRS 16	Leases

The directors of the Group have already commenced the assessment on their impact to the Group and the Group is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations.

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Construction	**5,496,763**	7,444,396
Electrical and mechanical installation	**1,272,930**	1,821,834
Building materials supply	**184,685**	74,998
Property investment and development	**379,846**	2,113
Hotel operations	**97,214**	115,056
Others	**18,840**	18,097
	7,450,278	9,476,494

The chief operating decision makers have been identified as the Executive Directors. In accordance with the Group's internal financial reporting provided to the Executive Directors, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are as follows:

- Construction – Contracting of building construction, plumbing, renovation, maintenance and fitting-out projects
- Electrical and mechanical installation – Provision of electrical, mechanical, ventilation and air conditioning, fire, plumbing and environmental engineering services
- Building materials supply – Supply of construction and building materials
- Property investment and development
- Hotel operations

Other operations of the Group mainly comprise computer software development and architectural and engineering services which are not of a sufficient size to be reported separately.

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

	Construction *HK$'000*	Electrical & Mechanical Installation *HK$'000*	Building Materials Supply *HK$'000*	Property Investment and Development *HK$'000*	Hotel Operations *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 March 2016							
Total sales	**5,641,497**	**1,800,505**	**533,647**	**446,646**	**97,214**	**80,218**	**8,599,727**
Inter-segment sales	**(144,734)**	**(527,575)**	**(348,962)**	**(66,800)**	**–**	**(61,378)**	**(1,149,449)**
External sales	**5,496,763**	**1,272,930**	**184,685**	**379,846**	**97,214**	**18,840**	**7,450,278**
Segment results	**(229,455)**	**25,480**	**91,486**	**7,903**	**11,270**	**(17,593)**	**(110,909)**
Share of profit of associates	**–**	**363**	**–**	**–**	**–**	**–**	**363**
Share of loss of joint ventures	**–**	**–**	**(55)**	**–**	**–**	**–**	**(55)**
	(229,455)	**25,843**	**91,431**	**7,903**	**11,270**	**(17,593)**	**(110,601)**
Unallocated income							**1,161**
Finance costs							**(32,536)**
Loss before income tax							**(141,976)**
Income tax expense							**(13,857)**
Loss for the year							**(155,833)**

	Construction *HK$'000*	Electrical & Mechanical Installation *HK$'000*	Building Materials Supply *HK$'000*	Property Investment and Development *HK$'000*	Hotel Operations *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 March 2015							
Total sales	7,620,840	2,324,662	418,647	2,113	115,056	65,651	10,546,969
Inter-segment sales	(176,444)	(502,828)	(343,649)	–	–	(47,554)	(1,070,475)
External sales	7,444,396	1,821,834	74,998	2,113	115,056	18,097	9,476,494
Segment results	49,860	10,675	(10,128)	53,785	24,288	(8,572)	119,908
Share of profit of associates	–	706	–	–	–	–	706
Share of loss of joint ventures	–	–	(59)	–	–	–	(59)
	49,860	11,381	(10,187)	53,785	24,288	(8,572)	120,555
Unallocated income							3,895
Finance costs							(28,598)
Profit before income tax							95,852
Income tax expense							(19,781)
Profit for the year							76,071

4 OTHER INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
Other income		
Bank interest income	**7,101**	7,057
Interest income from subcontractors	**6,999**	14,226
Management service income from a joint venture and a joint operation	**306**	493
Sundry income	**8,054**	11,604
	22,460	33,380
Other gains		
Relocation compensation gains, net *(Note)*	**96,140**	–
Gain on disposal of property, plant and equipment, net	**695**	2,717
Fair value gain on investment properties, net	**19,314**	37,264
Gain on disposal of an investment property	**–**	21,025
Gain on financial assets at fair value through profit or loss	**853**	48
Gain on derivative financial liabilities	**166**	–
	117,168	61,054
	139,628	94,434

Note: On 29 April 2015, the Group entered into a Relocation Compensation Agreement ("Agreement") with the landlord for the relocation of Longhua factory due to the urban development program of the Longhua District of Shenzhen, the People's Republic of China ("PRC"). The compensation comprised a cash payment of Renminbi ("RMB") 100,000,000 and entitlements of a total construction area of 10,000 square metres in the new residential properties to be constructed. The details of the Agreement are set out in the Company's circular dated 30 June 2015.

The relocation has been completed during the year. The cash compensation of RMB100,000,000 (approximately HK$122,671,000), after deducting removal and relocation costs incurred of RMB21,628,000 (approximately HK$26,531,000), was recognised as other income and gains for the year ended 31 March 2016.

5 EXPENSES BY NATURE

	2016	2015
	HK$'000	*HK$'000*
Cost of construction	**5,512,102**	7,659,239
Cost of properties sold	**375,500**	–
Cost of inventories sold	**350,839**	299,712
Staff costs (excluding directors' emoluments)	**1,039,458**	1,117,053
Directors' emoluments	**20,601**	20,144
Depreciation		
Owned property, plant and equipment	**90,532**	88,294
Leased property, plant and equipment	**12,885**	12,601
	103,417	100,895
Operating lease rentals of		
Land and buildings	**12,210**	14,689
Other equipment	**103,673**	80,223
	115,883	94,912
Amortisation of leasehold land and land use rights	**1,556**	1,460
Amortisation of intangible assets	**1,056**	1,056
Write off of impaired receivables	**–**	1,326
Provision for impaired receivables, net of write back of impaired receivables	**1,189**	4,020
Provision for inventories	**242**	20,914
Auditor's remuneration		
– Audit services	**5,665**	5,245
– Non-audit services	**825**	792
Exchange loss, net	**21,617**	5,795
Direct operating expenses arising from investment properties		
– Generate rental income	**314**	293
– Not generate rental income	**36**	31
Selling and distribution costs	**37,318**	26,737
Others	**112,036**	87,501
Total cost of sales, selling and distribution costs, administrative and other operating expenses	**7,699,654**	9,447,125

6 FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on overdrafts and short-term bank loans	**33,182**	30,559
Interest on long-term bank loans repayable within five years	**16,665**	19,520
Interest on long-term bank loans repayable after five years	**10,436**	10,728
Interest element of finance lease payments	**861**	1,065
Total borrowing costs incurred	**61,144**	61,872
Less: Classified as cost of construction	**(17,603)**	(17,563)
Capitalised in construction in progress	**(1,412)**	–
Capitalised in investment properties	**–**	(510)
Capitalised in property under development for sale	**(10,788)**	(21,503)
	31,341	22,296
Loss on financial assets at fair value through profit or loss	**–**	424
Loss on derivative financial liabilities	**1,195**	5,878
	32,536	28,598

7 INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Hong Kong profits tax provision for the year	**1,533**	1,128
Overseas tax provision for the year	**6,021**	18,628
Over-provision in prior years	**(331)**	(770)
Deferred income tax relating to the origination and reversal of temporary differences	**6,634**	795
	13,857	19,781

Hong Kong profits tax was calculated at 16.5% (2015: 16.5%) on the estimated assessable profits for the year.

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

8 DIVIDEND

	2016	2015
	HK$'000	*HK$'000*
Interim dividend paid during the year		
Interim – Nil (2015: HK1.00 cent per ordinary share)	**–**	4,381
Proposed final dividend		
Final – Nil (2015: HK2.38 cents per ordinary share)	**–**	10,426
	–	14,807

In the Board meeting held on 23 June 2016, the Directors do not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: HK2.38 cents per share, totalling HK$10,426,000).

9 (LOSS)/EARNINGS PER SHARE (BASIC AND DILUTED)

The calculation of (loss)/earnings per share is based on:

	2016	2015
	HK$'000	*HK$'000*
Net (loss)/profit attributable to the equity holders of the Company	**(159,347)**	76,064

	2016	2015
Weighted average number of shares in issue during the year	**438,053,600**	438,053,600

Diluted (loss)/earnings per share for the years ended 31 March 2016 and 2015 are not presented as there are no potential dilutive shares in issue during the years.

10 TRADE DEBTORS, NET

	2016	2015
	HK$'000	*HK$'000*
Trade debtors	**712,936**	800,066
Retention receivables	**498,322**	547,898
Provision for impairment	**(7,352)**	(6,163)
	1,203,906	1,341,801

10 TRADE DEBTORS, NET *(Continued)*

The aging analysis of the trade debtors, net is as follows:

	2016 *HK$'000*	2015 *HK$'000*
Current	**1,081,955**	1,237,411
1-30 days	**9,107**	36,254
31-90 days	**20,204**	10,566
91-180 days	**11,008**	4,152
Over 180 days	**81,632**	53,418
	121,951	104,390
	1,203,906	1,341,801

Trade debtors are due from 30 days to 150 days after invoicing depending on the nature of services or products. As at 31 March 2016, trade debtors of HK$121,951,000 (2015: HK$104,390,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default.

11 PAYABLES TO SUPPLIERS AND SUBCONTRACTORS

The aging analysis of payables to suppliers and subcontractors is as follows:

	2016 *HK$'000*	2015 *HK$'000*
Current	**513,697**	614,268
1-30 days	**40,194**	19,330
31-90 days	**1,820**	5,461
91-180 days	**811**	1,801
Over 180 days	**6,594**	11,473
	563,116	652,333

12 ACCRUALS, RETENTION PAYABLES, DEPOSITS RECEIVED AND OTHER LIABILITIES

	2016 *HK$'000*	2015 *HK$'000*
Retention payables	**448,627**	453,044
Deposits received from sales of properties	**–**	201,903
Other deposits and receipts in advance	**52,049**	51,061
Due to non-controlling interests *(Note)*	**16,304**	16,304
Others	**294,611**	171,426
	811,591	893,738

Note: The amount due to non-controlling interests of the Group was unsecured, interest free and repayable on demand.

13 COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

(a) In the normal course of its business, the Group is subject to various claims under its construction contracts. As at 31 March 2016, the Group has various liquidated damages claims on certain contracts for which the respective extension of time claims have been forwarded and filed to the clients. The amount of the ultimate liquidated damages, if any, cannot be ascertained but the Directors are of the opinion that any resulting liability would not materially affect the financial position of the Group.

(b) In 2010, a subsidiary of the Company instigated legal proceedings against a subcontractor claiming a sum of HK$10,000,000 in respect of the subcontractor's failure to perform contractual duties and for recovery of overpayment made to the subcontractor. The subcontractor raised a counterclaim against the subsidiary in the sum of approximately HK$4,898,000 as amended. The trial of the case was concluded on 3 June 2016 with judgment reserved. It is estimated that a written judgment will be handed down by the Trial Judge not before July 2016. The Directors are of the view that no provision is presently required with respect to the case.

(c) The Group has provided performance bonds amounting to approximately HK$762,636,000 (2015: HK$971,529,000) in favour of the Group's customers.

(d) As at 31 March 2016, the Group has capital expenditure contracted for but not yet incurred in relation to the acquisition of plant and equipment and setup of a factory in Mainland China of approximately HK$10,580,000 (2015: HK$35,356,000).

(e) The future aggregate minimum lease rental payable under non-cancellable operating leases is as follows:

	2016	2015
	HK$'000	*HK$'000*
Land and buildings		
Within one year	**10,905**	9,652
One year to five years	**22,669**	4,276
More than five years	**961**	–
	34,535	13,928

14 SUBSEQUENT EVENT

On 14 June 2016, the Urban Renewal Authority announced that a wholly-owned subsidiary of the Company has won the contract for the development of Pine Street/Oak Street Demand-led Project in Tai Kok Tsui.

The project site covers an area of about 767 square metres. Upon completion, it is planned to provide about 115 residential units with a total residential gross floor area of about 5,754 square metres and commercial gross floor area of about 719 square metres.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR

Last year was an exceptionally challenging year because of the "excess lead in water" incident which posed one-off impacts on earnings and made the yearly result not satisfactory. Nonetheless, the exceptional loss which accounted for the year's losses was a one-off event and our operational strength still holds. We are glad that we have overcome the challenge from the excess lead in water incident and moved on in even better shape.

In financial year 2015/16, the Group reported HK$7,450 million in revenue, representing a decrease of 21% compared to last year. The decrease mostly related to the completion of two sizeable projects in Macau, namely Studio City and Galaxy Macau which reported a drop in revenue of HK$2,017 million or 61% year on year. Thanks to the solid order book and the good amount of maintenance contracts secured and accomplished by the joint efforts from the maintenance and E&M teams during the year, our businesses in Hong Kong were comparable to last year despite we were suspended from tendering new public housing projects of the Hong Kong Housing Authority ("Housing Authority") temporarily. On prefabrication business, the removal of Longhua factory during the year caused very minor impact on the business. In fact, the segment turnover increased by 27% year on year. The team's well planning and execution of the task were highly appreciated.

The Group recorded a gross profits of HK$219 million, representing a decrease of HK$237 million which was primarily due to the costs expended for measures carried out during the year on a good will basis in response to requests from the Housing Authority for the incident of leaded solder jointing materials being used in the plumbing system in some of the public rental housing estates the works of which were undertaken by us as main contractor and the provisions for estimated expenses to be expended for the replacement of related water pipes. We had expended around HK$89 million in the year and expect to spend another HK$143 million in coming years to complete the replacement. In addition to the drop in Macau business which inevitably lower our gross profits, we made losses in two Singapore building contracts due to costs overruns for some key construction materials and upsurge in manpower costs caused by labour shortage and rising government levies. However, the drop in gross profits of Macau and Singapore projects was largely offset by a gain of HK$72 million, being net proceed of cash compensation received from the early termination of the lease of Longhua factory, deducting incurred removal costs and tax provision. Actually, the compensation comprised cash which was booked in this year, and entitlement of properties upon completion in future which is yet to be booked on account. These properties entitlement was valued at RMB250 million at the time of agreement but current value should have increased quite substantially given the house prices in Shenzhen surged in 2015. This substantial unrealized gain shall enhance our return significantly upon receipt.

Operating expenses were HK$468 million, up by HK$42 million or 10%. Major increase was the sales commission of HK$11 million paid for the residential development L • Harbour 18 and increase in exchange loss of HK$16 million. With stringent costs control measures, we managed to keep the recurring expenses steady despite business operation costs in general keep increasing.

Other than the costs in relation to the excess lead in water incident, there was also foreign currency asset revaluation exchange loss of HK$22 million, mostly related to RMB assets. We reported a consolidated net loss of HK$156 million mainly due to these non-recurring items that we were unable to offset fully. Loss per share for the year was HK36.38 cents, compared with a profit per share of HK17.36 cents last year. Net asset value attributable to equity holders of the Company as at 31 March 2016 was HK$1,402 million (2015: HK$1,596 million), equivalent to HK$3.20 (2015: HK$3.64) per share based on 438,053,600 ordinary shares in issue.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: interim dividend of HK1.00 cent per share and final dividend of HK2.38 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 August 2016 (Wednesday) to 22 August 2016 (Monday) (both days inclusive) for the purpose of determining the identity of members who are entitled to attend and vote at the forthcoming Annual General Meeting ("AGM").

In order to qualify for attendance to the AGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 16 August 2016 (Tuesday).

REVIEW OF OPERATIONS

Building construction, renovation and maintenance

The segment reported yearly external revenue of HK$5,497 million, representing a reduction of 26%. The decrease mostly related to the completion of a sizeable project in Macau. As to the local market, the segment delivered a steady turnover on a comparable basis. Despite we were temporarily restricted from tendering Housing Authority's new public housing projects, we swiftly seized opportunities from institutional customers and renovation and maintenance market. During the year, the segment won a construction project and a number of maintenance and fitting-out projects with a total value of HK$3,490 million.

The renovation and maintenance businesses have been developing satisfactorily in past few years. The turnover grew more than double since Year 2010. Coupled with the E&M team's strong engineering expertise and services, the division developed an integrated work process which maximizes the performance and efficiency. In Year 2015, the division won 14 prizes. The proven track record of outstanding performance helped the division to secure two maintenance contracts, totalled HK$1,330 million from Education Bureau, a new customer which offers steady business opportunities. We shall penetrate the segment further for a strategic business growth.

Impacts on the Group caused by the incident of the use of leaded solder materials in the solder joints in some of the public rental housing estates were much clearer. In term of business, we were suspended temporarily from tendering the Housing Authority's new public housing projects. Thanks to the high level of contracts on hand brought forward from prior years, impact on yearly turnover of Hong Kong segment was modest. In term of profits, the yearly result was adversely impacted. Costs of around HK$89 million was incurred during the year to carry out some rectification measures on a goodwill basis and a provision of HK$143 million was accrued for estimated future costs for replacement of related water pipes. As such, the segment result turned from a profit to a loss of HK$229 million. As to the construction management, we did in-depth reviews of the operation processes and control systems and implemented measures to ensure the compliance of new regulatory requirements.

The building market in Hong Kong is still booming but the competitions are keen too. We set ourselves apart from competitions by way of innovations, pioneering construction technologies and expertise across entire project life cycle. We have started to develop and employ 5D Building Information Modeling ("BIM") and virtual construction technologies since 2013. Our solution offerings extend a wide spectrum across the full life cycle of management, for example, BIM consultancy and training, 3D laser scanning, Geospatial Information System ("GIS") and Drone reconnaissance and surveillance services and assets and facilities management solutions. Our BIM centers in Hong Kong and Mainland China support group projects as well as provide services to customers. BIM consultancy services contracts awarded during the year included a Kowloon Property Company Limited's residential development, a MTR station project, a Henderson Land's office development, just to name a few. Besides, the business development in Singapore and Malaysia progressed smoothly. In Singapore, we were awarded BIM consultancy and training services contracts from LendLease, a multinational property and infrastructure company. And we won a Gold Award of BCA BIM Award 2016 initiated by Singapore Housing & Development Board. In Malaysia, we reached three very big local developers and obtained BIM consultancy services contracts for their development projects.

Our innovative prowess has been becoming an essential factor for winning jobs. During the year, we were awarded a pre-construction consultancy service contract from a renowned hospital for its landmark project. It is a very unique and complex project. The design and planning team is a global team formed by world class professionals from different disciplines. We were pleased and honored to take part in it. Our technical excellence and innovative solutions impressed the client and we are now negotiating the construction and project management contracts of it.

Contracts in hand as at 31 March 2016 was HK$17,350 million, reduced by 20% year on year. Contracts secured in the year was HK$3,490 million, representing an increase of 31% year on year. Though we had not tendered for Housing Authority's new public housing projects in the year, we obtained a fine amount of new orders from other segments. Now, the tender suspension has been uplifted. We anticipate more contracts would be secured in next year.

Electrical and mechanical installation

The segment revenue was HK$1,801 million, representing a decrease of 22% year on year. The drop in revenue was primarily due to the completion of major projects in Macau. Comparing to last year, work done in Macau in this year has been dropped by HK$470 million. Gross profit was HK$130 million, up 8% from last year, albeit the drop in revenue. The major difference was the absence of loss recorded last year for a joint venture project. Total operating expenses reduced by HK$2 million or 2% year on year. With a higher gross profits and lower operating expenses, the segment profits grew by HK$14 million.

Revenue from green businesses was not yet significant as compared to the Group's turnover but it made good progress. Revenue from Intelligent Fan Coil Unit – iFCU™ grew by more than 50%. It is getting well known in the market particularly to the hotel operators. Numbers of repeated orders from existing hotelier customers are growing and there are a lot of inquiries from new customers. We enhanced the product further by launching a mobile application iFCU™ Apps (iOS & Android) which enables users to monitor and control the facilities via mobile devices. The easy and instant access features are excellent for facilities management of large complex, such as Millenium City 5, a Grade-A commercial premise which is one of our customers. The product is also well recognized in China. It was accredited and listed in the China's "Public institutions energy and water saving technologies and products reference list 2015". The official accreditation for sure helps to raise our exposure and the marketing of the product. We believe sales would grow exponentially in near future.

Besides, the business development of Energy Optimization Solution (EOS) is encouraging too. We completed some key EOS projects last year, one of which was an energy saving program for a Government department headquarter. Our outstanding performance in this project was widely noted and we were invited to share the case in various workshops and seminars. The solid proven track records brought us numerous opportunities. We were just awarded another EOS project for North Point Government Offices and there were over 10 projects from both public and private sectors in the pipeline.

The Hong Kong Government stated the plan to cut down energy intensity by 40 per cent by 2025, known as "Energy Saving Plan for Hong Kong's Built Environment 2015-2025+". The city's commercial buildings, being the biggest contributors of energy consumption in town, are being actively advised to undertake relevant initiatives towards achieving the goal set by the government. We saw huge market potentials for our retro-commissioning business, a service and solution to find the opportunities and to refine or tune the performance of existing buildings, adding capital value, lowering the energy costs, and improving comfort conditions for the occupants. As it is an effective tool to provide quick paybacks in energy savings, the market demand for it is increasing and the trend is up. It shall be another sustainable and fast growing business.

New contract intakes in the year were HK$1,740 million, up by 13% year on year. We secured good amounts of new contracts in Hong Kong which offset fully the fall short in new business from Macau. With more manpower return from Macau to Hong Kong, we will have more resources to bid and serve the local market which is still filled with abundant opportunities. Work on hand was HK$5,947 million as at year end which underpins a good level of revenue for next year.

Building materials supply

The segment delivered good revenue at HK$534 million, a 27% rise as compared to prior year, albeit a period of business interruption because of factory removal. Thanks to the superb planning and execution by the team, the Longhua factory removal was smooth and the operation was least interrupted. Now, the production is centralized in Huizhou factory which benefits overall profitability in future through more effective management and costs savings from avoidance of duplication of facilities and manpower.

The piece of land acquired last year is under construction. We expect the production capacity would be increased by more than 40% upon completion. The expansion enables us to grasp the increasing market demands on precast products and to develop further throughout the entire supply chain. Actually, we established a new production line for curtain walling system last year. We shall explore further along the entire construction cycle for new business development.

As reported in interim report, the lengthy negotiation of the relocation of Longhua factory was finally reached. A compensation comprised a cash payment of RMB100 million and entitlements of a total construction area of 10,000 m^2 in the new residential properties to be constructed in the area with an agreed monetary value of RMB250 million was reached. The cash compensation after deducting removal costs incurred in the year and tax provision was reflected on account but the entitlement of properties upon completion is yet to be recorded. Refer to the recent residential properties transactions in the related area, house prices surged by over 50% since the date of our factory removal agreement. It represents a substantial potential increase in return upon realization in future. Other than this unrealized gain in properties, value of our newly acquired office in Shenzhen also rose by roughly RMB19 million or 23% in nine months, though the Shenzhen office is recorded at depreciated cost. Our China operation possesses tremendous asset value to be unleashed and reflected.

Property investment and development and hotel operations

Tourism numbers fell last year for the first time in more than a decade. According to the statistics from Tourism Commission, number of overnight visitors dropped by around 4% in 2015 year on year and average hotel occupancy rate fell 4% to 86%. Hong Kong's tourism industry has entered a consolidation period after a decade of growth. Our hotel's performance dropped under the current economic sentiment. Benefited from multinational customers and the good location, we achieved 90% occupancy rate but room rate dropped somewhat more as a result of stiff price competition. Annual revenue fell by 16% to HK$97 million. We succeeded in raising the operation efficiency and saved operation costs by 17% but could not fully offset impact from reduction in revenue. Nonetheless, the business remains profitable and contributes steady cash flow to the Group.

L • Harbour 18, our residential development was completed and handed over to buyers in November 2015. Sales of HK$378 million were reflected this year. There are still 17 residential units and 12 carparks kept on hand which are recorded at costs on book now. We estimated potential sales value of these on-hand flats are above HK$190 million, reference to the offer prices and last transaction of the development. As to the shop floors, we hold them as investment properties for leasing purpose. The property market is now soft and the price is on a downward trend. We intend to keep the unsold units and would not rush for sales. We think the demands for both commercial and residential properties in the area shall be up later when the Shatin to Central Link is completed and open.

OUTLOOK

The building market in Hong Kong is still buoyant. The directions and goals set out in the Long Term Housing Strategy Annual Progress Report 2015 announced by Government and the hospital development plan worth HK$200 billion for next ten years reflect good and continuing market potentials. We think the real challenges are the keen competitions and the ongoing rise in labor costs. We will continue to focus firmly on our strategy of generating sustained growth in profitability and efficiency through innovative solutions and stringent costs controls.

While we are positive about the local market, the industry outlook in the two oversea markets, Macau and Singapore, appear to be challenging. In Macau, gaming revenue continues its year-on-year decline. Investments in new mega integrated resort developments are largely scaled down. We see the business opportunities have been shifted from mega new-built projects to on-going renovation and improvements works. The stiff competitions between hoteliers and the attempts towards more on leisure and MICE guests would lead to recurring renovation and improvement works. Our sound track records and expertise particularly in gypsum reinforced products which are widely applied in hotel fit-out shall be the edges in winning a share of these long term businesses. That being said, we would restructure the operation in the territory to a lean and efficient team that would maintain the profitability in light of the foreseeable change in volume of works.

In Singapore, there seems to be a general consensus that growth prospect will be challenging in near term. Prices and sales volume of residential properties are showing a downward trend. Outlook for commercial and industrial buildings are subdued too. It is noted that developers appear to be winding down their construction activities to tackle the problem. There is no doubt that competition for construction tenders would be more intense. Instead of competing on prices which may lead to bigger risk in future, we think it is the right time to consolidate our business there by rightsizing the operation and focus on projects that our competence on innovative and green construction would count. Singapore Government has a clear vision of having a future-ready built environment. For example, it mandated BIM e-submission for building projects greater than 5,000 m^2. It sets out Green Building Masterplan which aims to "green" 80% of Singapore's building by the year 2030. According to the recent statistics, only 25% of the buildings have met the new standard. Market potentials for our green and innovative construction technologies are enormous in the country.

Besides, we will invest relentlessly in innovative construction technologies. Global Virtual Design and Construction Limited ("GVDC"), our BIM services and technological solutions arm, is constantly developing and delivering new virtual design and construction technologies such as laser scanning and drone technology to improve operational efficiency and project management.

Apart from virtual construction technologies, we see mobile solutions coupled with cloud services are keys to future success. GVDC is partnering with ESRI Hong Kong, China, a global GIS provider, together with VHSoft Technologies Company Limited, our group IT arm, focusing on construction mobility solutions, to jointly develop an integrated mobile platform for construction and building management with the enhanced capability with BIM and GIS information. The instant, highly efficient and accessibility of both BIM and GIS features drive and lead the overall productivity and completeness of data management to fulfill Full Building Life Cycle Management through a holistic Virtual Design and Construction approach to help our customers streamline processes and reduce costs to best achieve their goals.

Apart from advanced mobility platform, our group also promotes Open BIM concept and Green Building Design in the construction industry. By partnering with a European leading technology company GRAPHISOFT, GVDC will develop an Add-On Module for OpenBIM Software – ARCHICAD to execute all 6 chapters (Site Aspects, Energy Use, Indoor Environmental Quality, Materials Aspects, Water Use, Innovations and Additions) of the Hong Kong BEAM Plus environmental assessment scheme to drive and lead the integration of both Green Building Design and BIM-enabled quality assurance and quality checking process to enhance overall productivity and completeness throughout the entire Building Life Cycle.

Also, Yau Lee has recently entered strategic partnership with an US based innovative smart internet of things (loT) services provider, to jointly research and develop Smart Plug Outlet, a smart and wireless technology, integrated with (loT) cloud that facilitates property owners and building users to monitor, learn and reduce the energy usages through personalization and insights generated from BigData from (loT) cloud platform. We are keen to advocate the advancement of smart city development in the community through delivering innovative solutions.

We aim to be at the forefront of innovations in our industry by bringing in leading edge technologies which shall bring greater value to customers and the Group.

On prefabrication business, our competitiveness is further enhanced by process automations and expanded facilities. There shall be business growth from both the Group and external customers. Due to the factory removal, the business development of China market slowed down last year. We now look at it again and prepare to tender for the precast supply of a Shenzhen residential development project owned by a renowned State-Owned enterprise. We would devise appropriate development strategies, taking a long term perspective on the market's potential.

General outlook for both local and global economic growth remains subdued. It is clear that the near term shall be challenging. The Group will remain committed to its strategies of staying focus on its core competencies and differentiating ourselves through unique solutions. By doing so, we will raise customers' satisfaction and ensure sustainable growth and profitability.

FINANCIAL POSITION

The Group's finance and treasury functions have been centrally managed and controlled at the headquarters in Hong Kong. As at 31 March 2016, the Group's total cash and bank balances was HK$639 million (2015: HK$1,237 million) and total borrowings decreased to HK$2,189 million (2015: HK$2,451 million). The decrease in total cash and bank balances was largely due to the repayment of property loan in relation to the residential development L • Harbour 18, the purchase of two offices in China and the capital investment in the construction of new factory facilities on the newly acquired piece of land in Huizhou. The current ratio (total current assets: total current liabilities) as at 31 March 2016 was 1.2 (2015: 1.3). The amount of bank loans and other facilities fall due beyond one year was HK$749 million (2015: HK$851 million). With prudent financial management policy in place, the Group considers the financial position as sound and healthy with sufficient liquidity.

All the bank borrowings are arranged on a floating rate basis. To alleviate partly the Group's exposure to interest rate fluctuations, we had arranged some interest rate swaps aiming to keep the interest costs at a controlled range. The Group will closely monitor and manage its exposure to interest rate fluctuations and will consider engaging relevant hedging arrangements when appropriate. As at 31 March 2016, the Group had total banking facilities in respect of bank overdrafts, bank loans, bank guarantees and trade financing of HK$4,034 million (2015: HK$4,546 million), of which HK$2,600 million (2015: HK$3,086 million) had been utilised. The Group considers it has sufficient committed and unutilised banking facilities to meet its current business operation, property development requirement and capital expenditure.

HUMAN RESOURCES

As at 31 March 2016, the Group had approximately 3,500 (2015: 4,100) employees. There are approximately 2,500 (2015: 3,000) employees in Hong Kong, Macau and Singapore and 1,000 (2015: 1,100) in Mainland China. Yau Lee aims to be a good and attractive employer as we understand people are key to long-term success. The Group offers competitive remuneration packages and employees are rewarded on a performance related basis. The Group also invests substantially on training and staff development. We promote continuing learning and help the professional and personal development of our employees.

MOVEMENT OF INCOMPLETE CONTRACTS

For the year ended 31 March 2016

Contract value

	31 March 2015 *HK$'million*	Contracts Secured *HK$'million*	Contracts Completed *HK$'million*	**31 March 2016** ***HK$'million***
Building construction, renovation and maintenance	21,717	3,490	(7,857)	**17,350**
Electrical and mechanical installation	6,439	1,740	(2,232)	**5,947**
Building materials supply	1,511	485	(452)	**1,544**
Computer software development and architectural and engineering services	34	5	(15)	**24**
Less: Inter-segment contracts	(3,054)	(583)	771	**(2,866)**
	26,647	5,137	(9,785)	**21,999**

CORPORATE GOVERNANCE

The Board believes that corporate governance is fundamental to corporate long-term success and the enhancement of shareholder value. The Company has adopted the principles and practices of the Corporate Governance Code (the "Code") as set out in the Appendix 14 of The Rules Governing the Listing of Securities on The SEHK ("Listing Rules"). The Company strives to improve the transparency of its corporate governance practices and maximise the return to its shareholders through prudent management, investment and treasury policies.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company recognises that it is exposed to a number of risks, which is inherent in the industries that it operates in. The Board acknowledges that it is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and maintaining appropriate and effective risk management and internal control system. To achieve this, the Company has in place risk management system and internal control system to manage, rather than eliminate the risk of failure and provide a reasonable, as opposed to an absolute assurance in this respect.

The management formed a risk management committee to assess and manage the Company's principal risks including but not limited to compliance risks, financial risks, operational risks and strategic risks. It supports the Board in fulfilling its corporate governance and oversight responsibilities by monitoring and reviewing the risk management framework and process of the Company. And it provides a confirmation to the Board via Audit Committee on the effectiveness of the system.

In addition, the Company has implemented internal control system to minimise the risks to which the Group is exposed and used as a management tool for the day-to-day business operation. The Board appointed an international accounting firm, Baker Tilly Hong Kong, to conduct a review of the internal control system of the Group for the year ended 31 March 2016 including financial, operational and compliance controls, as well as the Group's risk management functions. The results of the internal control review were submitted to the Corporate Governance Committee for its consideration. The Corporate Governance Committee has reviewed the results of the internal control review and is satisfied that the Group's system of internal control is sound and adequate. As part of the process of the annual review, the Board has performed evaluation of the Group's accounting and financial reporting function to ensure that there is adequacy of resources, staff qualifications and experience, training programmes and budget of the function.

The Board will continue to review and improve the Group's risk management and internal control system, taking into account the prevailing regulatory requirements, the interests of shareholders, and the Group's business growth and development.

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the requirements of the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules regarding the securities transactions by the Directors of the Company. The Company has received confirmations from all Directors that they have complied with the requirements of the Model Code for the year ended 31 March 2016.

COMPLIANCE WITH LISTING RULES

In the opinion of the Directors, the Company has complied with the requirements of the Code as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2016 except for the Code provision A.2.1 which requires the roles of chairman and chief executive officer be separated and not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Wong Ip Kuen. The current structure enables the Company to make and facilitate the implementation of decisions promptly and efficiently.

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES – LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Directors of the Company reported the following loan facilities which included a condition relating to specific performance of the controlling shareholder of the Company.

On 29 March 2012, a wholly-owned subsidiary of the Company entered into a term loan facility of up to HK$475,000,000 with a bank in Hong Kong for the exclusive purpose of refinancing an existing indebtedness between the subsidiary and the bank. The loan shall be repaid by twenty consecutive semi-annual instalments with the first repayment date falls on six months after the date of the loan agreement. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family members, hold directly or indirectly less than 40% of the equity interest and voting shares of the Company.

On 12 October 2012, a wholly-owned subsidiary of the Company entered into a term loan facility of up to HK$300,000,000 with a bank in Hong Kong for exclusive purpose of financing the general working capital requirements of the subsidiary. The loan shall be repaid by ten consecutive semi-annual instalments with the first repayment date falls on six months after the date of the loan agreement. Pursuant to the facility agreement, it shall be an event of default if Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family members, hold directly or indirectly less than 40% of the equity interest and voting shares of the Company.

As at 31 March 2016 and up to the date of this announcement, there is no breach of the covenants.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed, and neither the Company nor any of its subsidiaries had purchased or sold the Company's listed securities during the year ended 31 March 2016.

REVIEW BY AUDIT COMMITTEE

The Group's annual results for the year ended 31 March 2016 have been reviewed by the Audit Committee which comprises three Independent Non-executive Directors. The Audit Committee, together with the management, has reviewed the audited consolidated financial statements for the year ended 31 March 2016 of the Group.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in this annual results announcement have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2016. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

By order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 23 June 2016

As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Wong Tin Cheung, Ms. Wong Wai Man and Mr. Sun Chun Wai as Executive Directors and Mr. Chan, Bernard Charnwut, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric as Independent Non-Executive Directors.

The full version of this announcement can also be accessed on the following websites:

(i) http://www.yaulee.com; and
(ii) http://www.irasia.com