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**IN CONSTRUCTION HOLDINGS LIMITED**  
**現 恆 建 築 控 股 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1500)**

**ANNOUNCEMENT OF ANNUAL CONSOLIDATED RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**HIGHLIGHTS**

- The shares of the Company were listed on the Stock Exchange on 16 April 2015.
- Revenue for the Financial Year 2015 remained stable at HK\$386.7 million compared with HK\$381.8 million of last financial year.
- Net profit increased by HK\$11.7 million to HK\$72.7 million compared to HK\$61.0 million for the year ended 31 March 2014.
- Listing expenses borne by the Company amounted to HK\$26.6 million, of which HK\$11.3 million was charged to the profit or loss of the Group during the Financial Year 2015.
- Excluding the listing expenses of HK\$11.3 million, net profit for the Financial Year 2015 was HK\$84.0 million.
- The Board proposes to recommend, at the forthcoming annual general meeting of the Company to be held on Monday, 24 August 2015, a final dividend of HK\$0.03 per ordinary share of the Company for the Financial Year 2015.

## ANNUAL CONSOLIDATED RESULTS

The board of directors (the “Board”) of In Construction Holdings Limited (the “Company”) is pleased to present the annual consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2015, together with the comparative figures for the year ended 31 March 2014 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2015*

(expressed in Hong Kong dollars)

	<i>Note</i>	<b>2015</b> <b>\$'000</b>	2014 \$'000
<b>Revenue</b>	3	<b>386,719</b>	381,750
Direct costs		<u>(272,549)</u>	<u>(299,192)</u>
<b>Gross profit</b>		<b>114,170</b>	82,558
Other revenue	4	<b>1,702</b>	3,337
Other net income	5	–	12
Administrative and other operating expenses		<u>(26,065)</u>	<u>(12,358)</u>
<b>Profit from operations</b>		<b>89,807</b>	73,549
Finance costs	6(a)	<u>(431)</u>	<u>(413)</u>
<b>Profit before taxation</b>	6	<b>89,376</b>	73,136
Income tax	7	<u>(16,723)</u>	<u>(12,159)</u>
<b>Profit and total comprehensive income for the year</b>		<b><u>72,653</u></b>	<b><u>60,977</u></b>
<b>Earnings per share (Hong Kong cents)</b>	8		
Basic and diluted		<b><u>11.4</u></b>	<b><u>9.5</u></b>

Details of dividends payable to equity shareholders of the Company attributable to the year are set out in note 11.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

(expressed in Hong Kong dollars)

	<i>Note</i>	<b>2015</b> <i>\$'000</i>	2014 <i>\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>438</b>	766
Finance lease receivables		<b>4,130</b>	6,956
Deposits paid for acquisition of property, plant and equipment		<b>2,351</b>	—
		<b>6,919</b>	7,722
<b>Current assets</b>			
Gross amounts due from customers for contract work		<b>100,128</b>	123,872
Finance lease receivables		<b>2,826</b>	2,727
Trade and other receivables	9	<b>109,600</b>	217,909
Cash and bank balances		<b>70,158</b>	53,014
		<b>282,712</b>	397,522
<b>Current liabilities</b>			
Gross amounts due to customers for contract work		<b>175</b>	3,991
Trade and other payables	10	<b>98,983</b>	169,819
Bank overdrafts – secured		<b>5,032</b>	131
Obligations under finance leases		<b>2,826</b>	2,932
Tax payable		<b>20,704</b>	9,597
		<b>127,720</b>	186,470
<b>Net current assets</b>		<b>154,992</b>	211,052
<b>Total assets less current liabilities</b>		<b>161,911</b>	218,774

	<i>Note</i>	<b>2015</b> <b>\$'000</b>	2014 \$'000
<b>Non-current liabilities</b>			
Loans from shareholders		<b>9,000</b>	9,000
Obligations under finance leases		<b>4,130</b>	6,956
		<b>13,130</b>	15,956
<b>NET ASSETS</b>		<b>148,781</b>	202,818
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>6,400</b>	9,300
Reserves		<b>142,381</b>	193,518
<b>TOTAL EQUITY</b>		<b>148,781</b>	202,818

*Notes:*

## **1 GENERAL INFORMATION AND BASIS OF PRESENTATION**

In Construction Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged as a contractor in the foundation industry in Hong Kong. The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 September 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Pursuant to a reorganisation of the Group (the “Reorganisation”) which was completed on 16 March 2015 to rationalise the corporate structure in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 31 March 2015 (the “Prospectus”).

The Reorganisation only involved inserting newly formed entities with no substantive operations as new holding companies of In Construction Limited (“ICL”), which was the Group’s sole operating entity. Accordingly, the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition as set out in Hong Kong Financial Reporting Standard 3, *Business combinations*, with ICL treated as the acquirer for accounting purposes. The consolidated financial statements have been prepared and presented as a continuation of the financial statements of ICL with the assets and liabilities of ICL recognised and measured at their historical carrying amounts prior to the Reorganisation.

The Company’s shares were listed on the Stock Exchange on 16 April 2015.

The annual results set out in this announcement do not constitute the Group's financial statements for the year ended 31 March 2015 but are extracted from those financial statements.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

## **2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

These developments have had no material impact on the Group's consolidated financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## **3. REVENUE AND SEGMENT INFORMATION**

Revenue represents revenue from construction contracts earned during the year.

### **Segment information**

The Board, identified as the chief operating decision-maker, regards the Group's business as a single operating segment and reviews financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

#### 4. OTHER REVENUE

	2015 \$'000	2014 \$'000
Bank interest income	505	792
Interest income from finance lease receivables	300	397
Sales of scrap materials	830	2,091
Others	67	57
	<u>1,702</u>	<u>3,337</u>

#### 5 OTHER NET INCOME

	2015 \$'000	2014 \$'000
Net gain on disposal of property, plant and equipment	<u>—</u>	<u>12</u>

#### 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2015 \$'000	2014 \$'000
<b>(a) Finance costs</b>		
Interest on bank overdrafts	131	7
Finance charges on obligations under finance leases	300	406
	<u>431</u>	<u>413</u>
<b>(b) Staff costs (including directors' remuneration)</b>		
Contributions to defined contribution retirement plans	723	614
Salaries, wages and other benefits	21,309	19,000
	<u>22,032</u>	<u>19,614</u>
Less: Amount included in construction contracts in progress	<u>(15,708)</u>	<u>(14,958)</u>
	<u>6,324</u>	<u>4,656</u>

(c) Other items

	2015 \$'000	2014 \$'000
Depreciation	493	554
Operating lease charges: minimum lease payments in respect of leasing of office	804	804
Listing expenses (including auditors' remuneration for other services separately disclosed below)	11,318	—
Auditors' remuneration		
– audit services	850	28
– other services (note)	<u>2,088</u>	<u>—</u>

*Note:* An amount of \$522,000 non-audit service fee payable to the auditor in relation to the listing of the Company's share on the Main Board of the Stock Exchange during the year ended 31 March 2015 had been recognised as a prepayment at 31 March 2015.

7 INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 \$'000	2014 \$'000
Current tax		
Provision for Hong Kong Profits Tax for the year	<u>16,723</u>	<u>12,159</u>

*Notes:*

- (i) 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 the BVI.
- (ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year, taking into account a reduction of 75% of the tax payable for the year of assessment 2014-15 subject to a maximum reduction of \$20,000 granted by the Government of the Hong Kong Special Administrative Region (the “Government”) for each business (2014: a reduction of 75% of the tax payable for the year of assessment 2013-14 subject to a maximum reduction of \$10,000 for each business and was taken into account in calculating the provision for 2014).

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$72,653,000 (2014: \$60,977,000) and weighted average of 639,043,836 shares in issue after adjusting for the issuance of new shares and the capitalisation issue during the year (2014: weighted average of 639,000,000 shares in issue after adjusting for the capitalisation issue in 2015).

**(b) Diluted earnings per share**

There were no diluted potential shares in existence during the years ended 31 March 2015 and 2014.

**9 TRADE AND OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	<b>38,549</b>	57,403
Deposits, prepayments and other receivables ( <i>note (i)</i> )	<b>5,563</b>	7,554
Retentions receivable ( <i>note (ii)</i> )	<b>65,488</b>	61,459
Amounts due from shareholders ( <i>note (iii)</i> )	—	91,493
	<b>109,600</b>	<b>217,909</b>

*Notes:*

- (i) Except for an amount of \$1,644,000 (2014: \$926,000) as at 31 March 2015, which is expected to be recovered or recognised as expense after one year, all of the remaining balances of the Group are expected to be recovered or recognised as expense within one year.
- (ii) Except for an amount of \$24,593,000 (2014: \$22,358,000) as at 31 March 2015, which is expected to be recovered after one year, all of the remaining balances are expected to be recovered within one year.
- (iii) The amounts due from shareholders at 31 March 2014 were unsecured, interest-free and had no fixed terms of repayment. The amounts were fully settled during the year ended 31 March 2015.
- (iv) Included in trade and other receivables are trade debtors, based on the invoice date (net of allowance for doubtful debts) with the following ageing analysis at the end of the reporting period:

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 1 month	<b>38,499</b>	52,733
1 to 2 months	—	—
2 to 3 months	—	—
Over 3 months	<b>100</b>	4,670
	<b>38,549</b>	<b>57,403</b>

The Group maintains a defined credit policy and the exposures to the credit risks are monitored on an ongoing basis. In respect of trade and other receivables, individual credit evaluations are performed as part of the acceptance procedures for new construction contracts. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 14-30 days from the date of billing. Normally, the Group does not obtain collateral from customers.



## 10 TRADE AND OTHER PAYABLES

	2015 \$'000	2014 \$'000
Trade creditors	92,799	136,297
Other payables and accruals	6,184	33,522
	<u>98,983</u>	<u>169,819</u>

Included in trade and other payables are trade creditors, based on invoice date, with the following ageing analysis at the end of the reporting period:

	2015 \$'000	2014 \$'000
Within 1 month	20,839	24,861
1 to 2 months	17,422	23,660
2 to 3 months	7,796	32,378
Over 3 months	46,742	55,398
	<u>92,799</u>	<u>136,297</u>

## 11 DIVIDENDS

- (i) During the year ended 31 March 2015, a dividend of \$186,000,000 was declared to the then shareholders by ICL.
- (ii) Dividend payable to equity shareholders of the Company attributable for the year

	2015 \$'000	2014 \$'000
Final dividend proposed after the end of the reporting period of 3 cents (2014: Nil) per ordinary share	<u>24,900</u>	<u>—</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

## 12 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 March 2015 not provided for in the financial statements were as follows:

	2015 \$'000	2014 \$'000
Contracted for	<u>28,240</u>	<u>—</u>

### 13 CONTINGENT LIABILITIES

- (a) As at 31 March 2015, the Group had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the objections undertaken by the Group's subsidiaries for projects amounting to \$82,226,000 (2014: \$90,659,000).
- (b) In February 2013, abnormal ground settlement occurred adjacent to a site at Ma Tau Wai Road during the early stages of works, resulting in a suspension of the works for approximately five months from February to June 2013. The Group was granted consent by the Buildings Department to resume work in June 2013. Eventually, the works for this project was completed in February 2015. Subject to the customer granting extension of time, the Group may, however, be liable for liquidated damages payable to the customer in the amount of \$5,100,000 due to delay in the completion of the works pursuant to the terms of the contract.

As at 31 March 2015 and up to the date of issue of this announcement, the Group had not received any claim for damages from any third party arising from or in connection with this project nor any claim for liquidated damages from the customer of this project.

The directors of the Company are of the view that the likelihood of the customer and/or the owners of the adjoining properties making successful claims against the Group is remote based on an advice provided by the legal counsel of the Company. Accordingly no provision for potential liquidated damages or potential claims from the customer and/or the owners of the adjoining properties have been made in the Group's consolidated financial statements.

- (c) Foundation works carried out for a project at Hing Hon Road (the "Site") commenced in March 2014 and was originally expected to be completed in November 2014 according to the project's letter of award. On 4 September 2014, a building adjacent to the Site (the "Building") tilted towards the Site. Foundation works at the Site had been suspended since 5 September 2014. The directors of the Company, leveraging on their experience in the industry, are of the view that the project will be delayed by not more than 16 months, and in the event that the customer does not grant an extension to the completion of the contract in accordance with its terms, the Group may face claims for liquidated damages of up to \$9,800,000.

As at 31 March 2015 and up to the date of issue of this announcement, the Group had not received any claim for damages from any third party arising from or in connection with this project nor any claim for liquidated damages from the customers in the project.

The directors are of the view that the prospect of a successful claim from the owners or occupiers of the Building or the customer against the Group is limited based on an advice provided by the legal counsel of the Company. Accordingly, no provision for potential liquidated damages or potential claims from the owners or occupiers of the Building or the customer have been made in the Group's consolidated financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS AND FINANCIAL REVIEW

The Group is engaged as a contractor in the foundation industry in Hong Kong, undertaking foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works for local customers.

#### Business Review

During the year ended 31 March 2015 (the “Financial Year 2015”), the Group was engaged to undertake foundation and associated works in the private sector construction projects in Hong Kong, with an emphasis on design and build projects and on undertaking the role as a main contractor.

For the year ended 31 March 2014, the Group was awarded eight foundation projects with an aggregate contract sum of HK\$649.6 million. During the Financial Year 2015, these projects started contributing revenue to the Group and four of them were completed. Together with two projects awarded in the years ended 31 March 2012 and 2013, the Group has completed a total of six projects. Besides, five additional foundation projects were awarded in the Financial Year 2015 with a total contract sum of HK\$519.1 million. One of the newly awarded projects started contributing revenue to the Group.

As at 31 March 2015, there were nine foundation projects on hand with the outstanding contract sum amounting to HK\$786.1 million. Apart from two projects which are expected to be completed in the year ending 31 March 2017, the remainders are expected to be completed in the forthcoming financial year. Below set out a list of projects completed during the Financial Year 2015 and those which are still in progress as at 31 March 2015:

<u>Year of award/project</u>	<u>Role</u>	<u>Type of contract</u>	<u>Status</u>
<i>Year 2011-2012</i>			
Zones 3B & 2D New World Centre, Tsim Sha Tsui	Sub-contractor	Design and build	Completed
<i>Year 2012-2013</i>			
Ma Tau Wai Road, To Kwa Wan	Main contractor	Design and build	Completed

<u>Year of award/project</u>	<u>Role</u>	<u>Type of contract</u>	<u>Status</u>
<i>Year 2013-2014</i>			
Queen's Road Central and Stanley Street, Central	Main contractor	Build only	Work in progress
Heung Yip Road, Aberdeen	Main contractor	Design and build	Work in progress
Tseung Kwan O Lot 95	Main contractor	Build only	Completed
Tseung Kwan O Lot 97	Main contractor	Build only	Completed
Peel Street/Graham Street, Central	Main contractor	Design and build	Work in progress
Russell Street, Causeway Bay	Main contractor	Design and build	Completed
Hillwood Road, Tsim Sha Tsui	Main contractor	Design and build	Completed
Hing Hon Road, Pok Fu Lam	Main contractor	Build only	Work in progress
<i>Year 2014-2015</i>			
Aberdeen Street, Central	Main contractor	Design and build	Work in progress
Perkins Road, Happy Valley	Main contractor	Design and build	Work in progress
A Kung Ngam Road, Shau Kei Wan	Main contractor	Design and build	Work in progress
Queen's Road East, Wan Chai	Main contractor	Build only	Work in progress
Fuk Chak Street and Ka Shin Street, Tai Kok Tsui	Main contractor	Design and build	Work in progress

## **Recent Development**

The shares of the Company were listed on the Stock Exchange on 16 April 2015 (the "Listing"). The Listing not only provided additional capital funding but also reinforced the Group's bargaining power for further banking facilities, allowing the Group to undertake sizeable projects in the future.

Subsequent to the Listing, the Group is fulfilling its commitment to expand its operation scale by purchasing certain construction equipments worth approximately HK\$31.0 million. Since the end of the Financial Year 2015 and up to the date of this announcement, the Group has been awarded a new foundation project in Central, which is expected to be completed in the year ending 31 March 2017.

## **Financial Review**

During the Financial Year 2015, there were 21 projects contributing a revenue of HK\$386.7 million, whereas in the last financial year a revenue of HK\$381.8 million was contributed by 16 projects. Despite the number of projects is greater in the Financial Year 2015 than that in 2014, given a number of projects in the Financial Year 2015 were still in the early stage of construction, the bulk of the contract value of these projects had not been reflected in the revenue recorded in the Financial Year 2015.

Final payments of several completed projects were certified during the Financial Year 2015, with additional contract sums agreed and granted to the Group. This contributed additional revenue to the Group, resulting in an overall increase in gross profit by HK\$31.6 million to HK\$114.2 million for the Financial Year 2015 compared to HK\$82.6 million of last financial year.

Administrative and other operating expenses increased by HK\$13.7 million to HK\$26.1 million, compared with HK\$12.4 million of last financial year, which was mainly due to the listing expenses incurred in the Financial Year 2015. Listing expenses borne by the Company amounted to HK\$26.6 million, of which HK\$11.3 million were charged to the profit or loss of the Group during the Financial Year 2015. Net profit increased by HK\$11.7 million to HK\$72.7 million compared to HK\$61.0 million for the year ended 31 March 2014. By excluding the listing expenses of HK\$11.3 million, net profit for the Financial Year 2015 was HK\$84.0 million.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	<b>As at 31 March</b>	
	<b>2015</b>	<b>2014</b>
Current ratio	<b>2.2</b>	2.1
Gearing ratio <sup>1</sup>	<b>14.1%</b>	9.4%

*Note:*

1. Gearing ratio is calculated based on debts including payables incurred not in the ordinary course of business divided by the total equity as at the reporting dates.

Current ratio remained stable as at 31 March 2015. Gearing ratio increased from 9.4% as at 31 March 2014 to 14.1% as at 31 March 2015, mainly due to net reduction in equity after including net profit for the Financial Year 2015 and dividend paid during the Financial Year 2015.

As at 31 March 2015, the Group had cash and bank balances of approximately HK\$70.2 million (2014: HK\$53.0 million), of which approximately HK\$70.0 million (2014: HK\$49.9 million) were restricted bank balances. Such restricted bank balances were held for the purpose of the issuance of surety bonds for our projects. As at 31 March 2015, the Group had bank overdrafts of approximately HK\$5.0 million (2014: HK\$0.1 million).

The capital structure of the Group consisted of equity of HK\$148.8 million and debts of HK\$21.0 million as at 31 March 2015.

The Group adopts a prudent approach in cash management. Apart from certain debts including obligations under finance leases, bank overdrafts and loans from shareholders, the Group did not have any material outstanding debts as at 31 March 2015. Payment to settle trade payable represented the significant part of the cash outflow of the Group. Taking into account the light debt leverage and the net proceeds from the Listing, the Group is able to generate cash and meet upcoming cash requirements. In any case, the Group may utilise its banking facilities of HK\$150.0 million, of which the unutilised and unrestricted banking facilities amounted to approximately HK\$104.5 million.

## **EMPLOYEES**

The Group had 55 full-time employees as at 31 March 2015. The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as the performance of the Group. Remuneration package is comprised of salary, a performance-based bonus, and other benefits including training and provident funds.

## **CAPITAL COMMITMENTS**

Save as disclosed in note 12 to this announcement, the Group had no other capital commitments as at 31 March 2015.

## **CONTINGENT LIABILITIES**

Save as disclosed in note 13 to this announcement, the Group had no other contingent liabilities as at 31 March 2015.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Apart from the reorganisation in relation to the listing of the shares of the Company, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2015. Save for the business plan as disclosed in the prospectus of the Company dated 31 March 2015 (the “Prospectus”), there is no other plan for material investments or capital assets as at 31 March 2015.

## USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing will be utilised subsequent to the Listing in accordance with the proposed applications set out in the section “Future Plans and Use of Proceeds” of the Prospectus. The below table sets out the proposed applications of the net proceeds and usage up to the date of this announcement:

	<b>Proposed application</b> <i>HK\$'million</i>	<b>Actual usage up to the date of announcement</b> <i>HK\$'million</i>
Hiring of additional staff	14.9	—
Acquisition of additional machinery and equipment	19.9	19.9
Financing for the issue of surety bonds for future projects	54.7	—
General working capital	10.0	10.0
	<hr/>	<hr/>
	99.5	29.9
	<hr/> <hr/>	<hr/> <hr/>

## FUTURE PROSPECTS

Taking into account the Hong Kong Government’s policy in increasing land supply and proposing several large infrastructure projects, the Group expects an optimistic growth in the construction industry. Despite the vigorous competition in Hong Kong construction industry, the Board is optimistic that the Group can maintain steady growth in net profit and scale of operations due to its long established reputation and proven ability. To maintain its competitive edge, the Group continues to adhere to its business strategy, by expanding our capacity to capture more business opportunities, reinforcing our capability in foundation design and project management skills and offering qualitative and flexible solution to our customers.

The listing of the shares of the Company on the Stock Exchange marked an important milestone in the history of the Group and opened up brand-new opportunities for the Group’s development in the future. Looking forward, the Group will continue its expansion by purchasing new equipments and recruiting middle and top level staffs. The Group also welcomes any proposals if they meet the Group’s strategic position and development.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **FINAL DIVIDEND**

The Board proposes to recommend, at the forthcoming annual general meeting of the Company to be held on Monday, 24 August 2015 (the “2015 AGM”), a final dividend of HK\$0.03 per ordinary share of the Company for the Financial Year 2015. It is expected that the proposed final dividend, if approved by the shareholders of the Company at the 2015 AGM, will be payable on or about 15 September 2015 to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 28 August, 2015.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the 2015 AGM, the register of members of the Company will be closed from Friday, 21 August 2015 to Monday, 24 August 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Thursday, 20 August 2015.

In order to establish entitlements to the proposed final dividend, the register of members of the Company will be closed on Friday, 28 August 2015, during which period no transfer of shares of the Company will be registered. Shareholders of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Thursday, 27 August 2015.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities since the Listing Date.

### **EVENTS AFTER THE REPORTING PERIOD**

Except for the matters disclosed under the “Recent Development” section, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2015 and up to the date of this announcement.



## **CORPORATE GOVERNANCE**

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

Since Listing, the Board is of the opinion that the Company had adopted, applied and complied with the code provisions as set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) except for the deviation from provision A.2.1 of the Code which is explained below:

According to provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LAU Pak Man is the Chairman and Chief Executive Officer, responsible for overall strategic development, project management and client management of the Group. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. LAU Pak Man has the benefit of ensuring consistent and continuous planning and execution of the Company’s strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired in light of the diverse background and experience of the independent non-executive Directors, and the composition of the Board which comprises equal number of Independent Non-Executive Directors and Executive Directors also provides added independence to the Board. Further, the Audit Committee composed exclusively of Independent Non-Executive Directors has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary.

## **AUDIT COMMITTEE REVIEW**

The Company established the Audit Committee on 26 March 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three independent non-executive Directors. The Audit Committee of the Company has reviewed the Group’s consolidated financial statements for the year ended 31 March 2015.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the “Model Code”). Upon specific enquiries of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code since the Listing.

## **SCOPE OF WORK OF AUDITORS**

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 the auditor.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company's website at [www.inconstruction.hk](http://www.inconstruction.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). The 2015 Annual Report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board  
**In Construction Holdings Limited**  
**LAU Pak Man**  
*Chairman*

Hong Kong, 26 June 2015

*As at the date of this announcement, the Board comprises Mr. LAU Pak Man, Mr. CHENG Wing Cheong and Ms. KWAN Kit Sum Kit as executive Directors; Mr. LEUNG Chi Kin, Mr. LAM Chi Hung Louis and Mr. YAU Chi Man Norman (also known as IAO Chi Meng) as independent non-executive Directors.*