

FRASER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 8366



Third Quarterly Report

2015



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

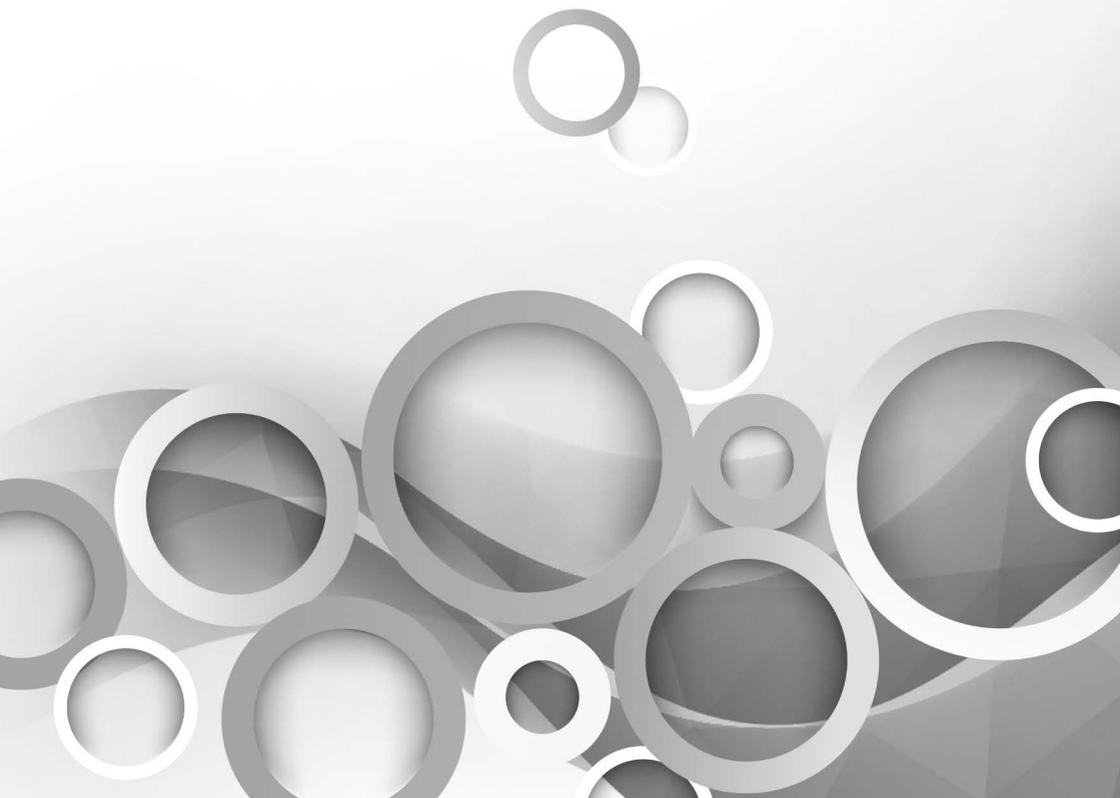
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*This report, for which the directors (the “**Director(s)**”) of Fraser Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yu Shek Man Ringo
(Chairman)
Ms. Wong So Wah

Non-executive Director

Mr. Cheung Kin Keung Martin

Independent non-executive Directors

Mr. Law Yiu Sing
Mr. Wong Kwok Chuen
Mr. Wong Law Fai

AUDIT COMMITTEE

Mr. Law Yiu Sing (Chairman)
Mr. Wong Kwok Chuen
Mr. Wong Law Fai

NOMINATION COMMITTEE

Mr. Wong Kwok Chuen (Chairman)
Mr. Law Yiu Sing
Mr. Wong Law Fai

REMUNERATION COMMITTEE

Mr. Wong Law Fai (Chairman)
Mr. Yu Shek Man Ringo
Mr. Wong Kwok Chuen

LEGAL COMPLIANCE COMMITTEE

Mr. Law Yiu Sing (Chairman)
Mr. Wong Kwok Chuen
Mr. Wong Law Fai
Ms. Wong So Wah
Mr. Yiu Chun Wing

COMPANY SECRETARY

Mr. Yiu Chun Wing

AUDITORS

Grant Thornton Hong Kong Limited

COMPLIANCE ADVISER

Dakin Capital Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1122, 11/F
Pacific Link Tower, South Mark
11 Yip Hing Street
Wong Chuk Hang, Hong Kong
Website: www.fraserholdings.com



FINANCIAL HIGHLIGHTS

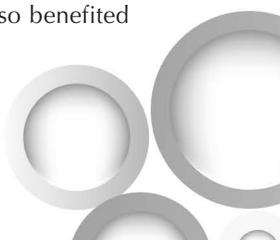
- Revenue amounted to approximately HK\$143.0 million for the nine months ended 31 January 2016 (the “**Reporting Period**”) (2015: approximately HK\$122.4 million), representing an increase of approximately 16.8% as compared with the corresponding period last year.
- Profit attributable to the owners of the Company for the nine months ended 31 January 2016 amounted to approximately HK\$7.7 million (2015: approximately HK\$9.6 million).
- Basic earnings per share amounted to approximately HK\$0.59 cents for the nine months ended 31 January 2016 (2015: approximately HK\$0.77 cents).
- The Board does not recommend the payment of dividend for the nine months ended 31 January 2016 (2015: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a contractor principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong. Slope works generally refer to landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Foundation works are generally concerned with the construction of foundations. General building works mainly include the general construction of buildings. Fraser Construction Company Limited, our principal operating subsidiary, is an approved specialist contractor included in the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau of the Hong Kong Government under the categories of “Landslip Preventive/Remedial Works to Slopes/Retaining Walls” with a confirmed status and “Land Piling (Group II)”. Being on such list is a prerequisite for tendering for public sector projects in the relevant works categories. In addition, Fraser Construction Company Limited is registered under the Buildings Ordinance (Chapter 123 of the Law of Hong Kong) as a (i) Registered Specialist Contractor under the sub-register of “Site Formation Works” and “Foundation Works” categories; and (ii) Registered General Building Contractor.

Since the announcement of the “Ten Major Infrastructure Projects” in the 2007 Policy Address, large-scale infrastructure projects such as the extension of MTR lines, new roadways, and the development of new areas have supported the growth of the construction industry. The “Ten Major Infrastructure Projects” include South Island Line, Lok Ma Chau Loop, Sha Tin to Central Link, West Kowloon Cultural District, Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass, Kai Tak Development, Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong-Zhuhai-Macao Bridge, North East New Territories New Development Areas and Hong Kong-Shenzhen Western Express Line. The development of some of these projects requires slope works, such as developing earth reinforced retaining walls and cutting back or improving slopes for road works, railways, and hill-side building developments. In recent years, the Government’s infrastructure investment has been maintained at high levels, with several construction and transportation projects being carried forward in parallel. The continued investments in large-scale infrastructure projects by the Government is expected to drive the future demand for slope works in Hong Kong. As a result, our slope work business also benefited from the overall positive atmosphere in the construction industry.



Having said that, the Directors are aware of the recent slow approval progress of infrastructure projects by the Legislative Council of Hong Kong and the Finance Committee of the Legislative Council of Hong Kong, which could result in potential delays in public infrastructure projects and hence possible postponement, or even decrease in the availability, of related slope works projects in Hong Kong. The Group has also been facing challenging operating environment resulting from increasing costs of operation including, in particular, costs of construction labours and thus subcontracting charges.

All things considered, the Directors are still cautiously optimistic about the slope works industry in Hong Kong in general, particularly because of the continued implementation of the “Ten Major Infrastructure Projects” and the fact that slope works are directly related to public safety.

The Group was successfully listed on the GEM on 2 November 2015. The listing proceeds received have strengthened the Group’s cash flow and the Group will further develop our business and strengthen our manpower according to the schedule set out in the Prospectus.

FINANCIAL REVIEW

Revenue

The Group’s overall revenue increased by approximately HK\$20.6 million or approximately 16.8% from approximately HK\$122.4 million for the nine months ended 31 January 2015 to approximately HK\$143.0 million for the nine months ended 31 January 2016. The increase in the Group’s revenue was mainly due to the increase in revenue derived from undertaking slope works and foundation works, as further discussed below.

The Board regards the Group's business of construction as a single operating segment and reviews the overall results of the Group as a whole to make decision about resource allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong. The Group's principal operating activities during the nine months ended 31 January 2016 are as follows:

Slope works: Undertaking landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. Revenue from undertaking slope works increased from approximately HK\$111.0 million for the nine months ended 31 January 2015 to approximately HK\$121.4 million for the nine months ended 31 January 2016, representing an increase of approximately 9.4 %. The increase in revenue was primarily attributable to a higher amount of revenue from CEDD's slope works projects for the nine months ended 31 January 2016, which was due to the actual works progress under the relevant contracts.

Foundation works: Undertaking works in relation to the construction of foundations for general building construction. Revenue from undertaking foundation works increased from nil for the nine months ended 31 January 2015 to approximately HK\$16.2 million for the nine months ended 31 January 2016, as our Group has not undertaken any foundation work during the nine months ended 31 January 2015.

General building works: Undertaking general construction of buildings. Revenue from undertaking general building works decreased from approximately HK\$11.2 million for the nine months ended 31 January 2015 to approximately HK\$5.2 million for the nine months ended 31 January 2016, representing a decrease of approximately 53.6%, which was due to fewer actual works completed as certified by customers' agents during the nine months ended 31 January 2016 compared to the corresponding period in 2015.

Others: Provision of consultancy services in relation to the management of projects involving slope works, foundation works and/or other general building works in Hong Kong. Revenue from the provision of consultancy services decreased from approximately HK\$0.23 million for the nine months ended 31 January 2015 to approximately HK\$0.14 million for the nine months ended 31 January 2016, representing a decrease of approximately 39.1%, due to less consultancy service provided for the nine months ended 31 January 2016.



Gross Profit and Gross Profit Margin

The Group's direct costs increased by approximately HK\$22.1 million or approximately 21.0% from approximately HK\$105.1 million for the nine months ended 31 January 2015 to approximately HK\$127.1 million for the nine months ended 31 January 2016. Such increase was mainly attributable to the increase in amount of works performed, which resulted in the increase in our subcontracting charges.

The Group's gross profit decreased by approximately HK\$1.5 million or approximately 8.6% from approximately HK\$17.4 million for the nine months ended 31 January 2015 to approximately HK\$15.9 million for the nine months ended 31 January 2016 and the Group's gross profit margin decreased from approximately 14.2% for the nine months ended 31 January 2015 to approximately 11.1% for the nine months ended 31 January 2016. The decrease in gross profit margin was mainly because the majority of the projects with revenue contribution to the Group during the period (in terms of revenue) were projects of relatively large contract sums for which the Group had set the tender prices based on lower expected profit margins.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$0.3 million or approximately 5.2% from approximately HK\$5.8 million for the nine months ended 31 January 2015 to approximately HK\$6.1 million for the nine months ended 31 January 2016. The increase in the Group's administrative expenses was mainly due to the emoluments to non-executive Directors who commenced their directorships in November 2015.

Net Profit

Profit attributable to owners of the Company for the period decreased by approximately HK\$1.9 million or approximately 19.8% from approximately HK\$9.6 million for the nine months ended 31 January 2015 to approximately HK\$7.7 million for the nine months ended 31 January 2016. The Group's net profit margin decreased from approximately 7.8% for the nine months ended 31 January 2015 to approximately 5.4% for the same period of 2016. The decrease in the Group's net profit margin and its profit for the period was mainly due to the decrease in gross profit coupled with the increase in administrative expenses as discussed above.

DISCLOSURE OF INTERESTS

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 January 2016, the interests and short positions of the Directors or chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) (including any interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

(i) Long position in the ordinary shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares Held/ interested	Percentage of shareholding
Mr. Yu Shek Man Ringo	Interest of a controlled corporation (Note 1)	1,080,000,000	75%
Ms. Wong So Wah	Interest of spouse (Note 2)	1,080,000,000	75%

Notes:

- The issued share capital of National Honour Investments Limited (“National Honour”) is owned as to 90% by Mr. Yu Shek Man Ringo and 10% by Ms. Wong So Wah, the spouse of Mr. Yu Shek Man Ringo. Therefore, Mr. Yu Shek Man Ringo is deemed or taken to be interested in all the shares of the Company held by National Honour for the purpose of the SFO.
- Ms. Wong So Wah is the spouse of Mr. Yu Shek Man Ringo. Accordingly, Ms. Wong So Wah is deemed or taken to be interested in all the shares of the Company which Mr. Yu Shek Man Ringo is interested for the purpose of the SFO.

(ii) Long position in the shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares Held/ interested	Percentage of shareholding
Mr. Yu Shek Man Ringo	National Honour	Beneficial owner	9	90%
		Interest of spouse (Note 1)	1	10%
Ms. Wong So Wah	National Honour	Beneficial owner	1	10%
		Interest of spouse (Note 2)	9	90%

Notes:

- Mr. Yu Shek Man Ringo is the spouse of Ms. Wong So Wah. Therefore, Mr. Yu Shek Man Ringo is deemed or taken to be interested in all the shares of the Company which Ms. Wong So Wah is interested for the purpose of the SFO.
- Ms. Wong So Wah is the spouse of Mr. Yu Shek Man Ringo. Accordingly, Ms. Wong So Wah is deemed or taken to be interested in all the shares of the Company which Mr. Yu Shek Man Ringo is interested for the purpose of the SFO.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 January 2016, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Name	Capacity/nature	Number of shares held/ interested	Percentage of shareholding
National Honour	Beneficial owner	1,080,000,000	75%

OTHER INFORMATION

COMPETING INTERESTS

During the nine months ended 31 January 2016, none of the Directors, the controlling shareholders or their respective close associates (as defined in the GEM Listing Rules) held any position or had interest in any businesses or companies that competed or might compete with the business of the Group or had any other conflicts of interests with the interests of the Group.

COMPLIANCE ADVISER'S INTERESTS

As at 31 January 2016, as notified by the Company's compliance adviser, Messis Capital Limited ("**MCL**"), except for the compliance adviser agreement entered into between the Company and MCL dated 19 June 2015 (the "**Compliance Adviser Agreement**"), neither MCL nor its directors, employees or close associates had any interest in the securities of the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

CHANGE OF COMPLIANCE ADVISER

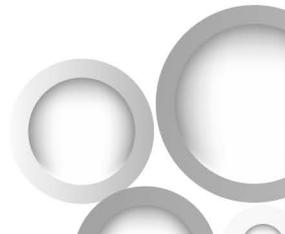
The Company and MCL have mutually agreed to terminate the Compliance Adviser Agreement with effect from 2 February 2016 due to the consideration of fee levels. Dakin Capital Limited has been appointed as the new compliance adviser to the Company pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 2 February 2016. For further details, please refer to the announcement of the Company dated 2 February 2016.

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

Since the Listing Date and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

Since the Listing Date and up to the date of this report, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules.



CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors ("**Code of Conduct**") as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct from the Listing Date up to the date of this report.

DIVIDENDS

The Board did not recommend any payment of dividend for the nine months ended 31 January 2016 (2015: Nil).

SHARE OPTION SCHEME

The Company adopted a share option scheme on 15 October 2015 (the "**Scheme**"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 January 2016.

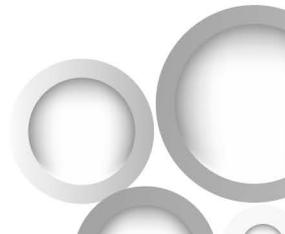
AUDIT COMMITTEE

The Company established the Audit Committee on 14 October 2015 with written terms of reference in compliance with the GEM Listing Rules which are available on the websites of the Stock Exchange and the Company. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Law Yiu Sing, Mr. Wong Kwok Chuen and Mr. Wong Law Fai. The chairman of the Audit Committee is Mr. Law Yiu Sing, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee had reviewed the unaudited combined results of the Group for the nine months ended 31 January 2016 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board
Fraser Holdings Limited
Yu Shek Man Ringo
Chairman and Executive Director

Hong Kong, 9 March 2016



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 JANUARY 2016

	Notes	For the three months ended 31 January		For the nine months ended 31 January	
		2016	2015	2016	2015
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	58,103	43,589	143,002	122,430
Direct costs		(51,389)	(33,645)	(127,140)	(105,071)
Gross profit		6,714	9,944	15,862	17,359
Other income	3	61	201	294	555
Administrative expenses		(1,845)	(4,247)	(6,130)	(5,753)
Finance costs	4	(1)	(16)	(43)	(52)
Profit before income tax	6	4,929	5,882	9,983	12,109
Income tax expense	5	(1,010)	(1,492)	(2,260)	(2,524)
Profit and total comprehensive income for the period attributable to owners of the Company		3,919	4,390	7,723	9,585
		HK cents	HK cents	HK cents	HK cents
Earnings per share — Basic and diluted	8	0.27	0.36	0.59	0.77

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS ENDED 31 JANUARY 2016

	Share capital HK\$'000	Share premium* HK\$'000	Merger reserve* HK\$'000 (Note)	Retained earnings* HK\$'000	Total HK\$'000
At 1 May 2014	18,001	–	–	13,650	31,651
Profit and total comprehensive income for the period	–	–	–	9,585	9,585
At 31 January 2015 (unaudited)	18,001	–	–	23,235	41,236
At 1 May 2015	18,001	–	–	25,081	43,082
Arising from the reorganisation	(18,001)	–	18,001	–	–
Transactions with owners:					
Issue of shares by the Company pursuant to the reorganization	1	–	–	–	1
Issue of shares pursuant to Capitalisation Issue	12,349	(12,349)	–	–	–
Issue of shares upon placing	2,050	38,950	–	–	41,000
Expenses incurred in connection with the issue of shares during the period	–	(2,144)	–	–	(2,144)
Dividend declared and paid during the period (note 7)	–	–	–	(10,000)	(10,000)
Profit and total comprehensive income for the period	–	–	–	7,723	7,723
At 31 January 2016 (unaudited)	14,400	24,457	18,001	22,804	79,662

* The total amounts of these balances represent "Reserves" in the condensed consolidated statement of financial position.

Note: Merger reserve represents the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation for the listing and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fraser Holdings Limited was incorporated in the Cayman Islands on 20 May 2015 as an exempted company with limited liability under the Companies Law of Cayman Islands and its shares have been listed (the “**Listing**”) on the GEM of the Stock Exchange with effect from 2 November 2015 (the “**Listing Date**”). Its parent and ultimate holding company is National Honour Investments Limited (“**National Honour**”), a company incorporated in the British Virgin Islands (the “**BVI**”) and beneficially owned by Mr. Yu Shek Man Ringo (“**Mr. Yu**”) and Ms. Wong So Wah (“**Ms. Wong**”) (hereinafter collectively referred to as the “**Controlling Parties**”).

The Company’s registered office is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is located at Room 1122, Pacific Link Tower, South Mark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong.

The principal activity of the Group is undertaking slope works, foundation works and other general building works in Hong Kong.

2. BASIS OF PREPARATION AND REORGANISATION

The unaudited condensed consolidated financial statements of the Group for the nine month ended 31 January 2016 have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 April 2015 as set out in the Prospectus, which have been prepared in accordance with the accounting policies which conforms to the HKFRS issued by the HKICPA.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 31 January 2016 are consistent with those adopted in the preparation of accountants’ report included in the Company’s prospectus dated 23 October 2015 (the “**Prospectus**”).

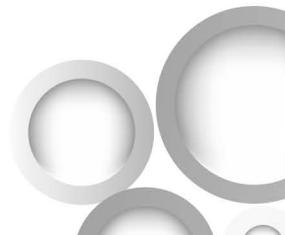
2. BASIS OF PREPARATION AND REORGANISATION (CONTINUED)

The adoption of the new and revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

The unaudited condensed consolidated financial statements for the nine months ended 31 January 2016 have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements for the nine month ended 31 January 2016 are presented in Hong Kong dollars (“**HK\$**”), which is the same functional currency of the Company.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the GEM (the “**Reorganisation**”), the Company became the holding company of the companies now comprising the Group on 17 June 2015. Details of the Reorganisation are set out in the section headed “Statutory and general information — A. Further information about our Company — 4. Corporate Reorganisation” in the Prospectus.

The Group resulting from the abovementioned Reorganisation is regarded as a continuing entity. Accordingly, the unaudited condensed combined financial information of the Group has been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” as if the group structure under the Group Reorganisation had been in existence throughout the nine months ended 31 January 2016 and 2015.



3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

The Group is principally engaged in undertaking slope works, foundation works and other general building works in Hong Kong.

Breakdown of the Group's revenue is set out as follows:

	Three months ended 31 January		Nine months ended 31 January	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Contracting revenue	58,103	43,364	142,858	122,205
Consultancy fee	–	225	144	225
Revenue	58,103	43,589	143,002	122,430

The chief operating decision-maker has been identified as the Board of Directors of the Company. The Board of Directors regards the Group's business of construction as a single operating segment and reviews the overall results of the Group as a whole to make decision about resource allocation. Accordingly, no segment analysis information is presented. No separate analysis of segment information by geographical segment is presented as the Group's revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

An analysis of the Group's revenue from undertaking slope works, foundation works, general building works and other business in Hong Kong in the ordinary course of business is as follows:

	Three months ended 31 January		Nine months ended 31 January	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Slope works	48,425	41,343	121,380	111,038
Foundation works	9,465	–	16,230	–
General building works	213	2,021	5,248	11,167
Others (note)	–	225	144	225
	58,103	43,589	143,002	122,430

Note: Others represent consultancy fee income derived from the provision of consultancy services in relation to the management of projects involving slope works, foundation works and/or other general building works.

3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

(CONTINUED)

An analysis of other income is as follows:

	Three months ended		Nine months ended	
	31 January		31 January	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	-	-	-	275
Interest income	53	-	73	-
Rental income from lease of machinery	-	152	164	152
Sundry income	8	49	57	128
	<u>61</u>	<u>201</u>	<u>294</u>	<u>555</u>

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group during the Reporting Period are as follows:

	Three months ended		Nine months ended	
	31 January		31 January	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	N/A ¹	N/A ¹	15,341	N/A ¹
CEDD	35,884	22,880	92,836	62,272
Lands Department	N/A ¹	9,018	16,563	22,878
Housing Authority	9,465	5,165	N/A ¹	N/A ¹
	<u>45,349</u>	<u>37,063</u>	<u>124,740</u>	<u>85,150</u>

¹ N/A denotes that the revenue from the customer amounted to less than 10% of the total revenue of the Group for the relevant period.

4. FINANCE COSTS

An analysis of finance costs is as follows:

Three months ended		Nine months ended	
31 January		31 January	
2016	2015	2016	2015
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Interest on:

— bank borrowings wholly repayable within 5 years	–	16	34	52
— obligation under finance leases wholly repayable within 5 years	1	–	9	–
	1	16	43	52

5. INCOME TAX EXPENSE

Three months ended		Nine months ended	
31 January		31 January	
2016	2015	2016	2015
HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Current tax — Hong Kong:

— charge for the period	1,010	1,492	2,260	2,524
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Hong Kong Profits Tax has been provided at the rate of 16.5% (2015: 16.5%) on the Company's estimated assessable profits for the period. The effective tax rate of the Company is approximately 22.6% during the nine months ended 31 January 2016. The reason for higher effective tax rate than the statutory tax rate of 16.5% was due to the tax effect of non-deductible listing expenses incurred in relation to the Listing.

No deferred tax has been provided in the unaudited condensed consolidated interim financial statements as there is no material temporary difference as at the reporting dates.

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging (crediting):

	Three months ended		Nine months ended	
	31 January		31 January	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments)				
— salaries, allowances and benefits in kind	2,330	962	5,845	4,380
— retirement benefits scheme contributions	82	63	232	200
	<u>2,412</u>	<u>1,025</u>	<u>6,077</u>	<u>4,580</u>
Total staff costs (including directors' emoluments)	2,412	1,025	6,077	4,580
Depreciation in respect of plant and equipment				
— leased assets	5	–	11	–
— owned assets	34	257	340	1,044
	<u>39</u>	<u>257</u>	<u>351</u>	<u>1,044</u>
Operating lease charges:				
— Land and buildings	96	90	288	270
Subcontracting charges (included in direct costs)	35,935	30,674	105,463	98,857
Listing expenses (included in administrative expenses)	607	3,335	3,079	3,335

7. DIVIDEND

On 3 August 2015, a dividend of HK\$10,000,800 was distributed by Fraser Construction Company Limited, a wholly owned subsidiary of the Company after the Reorganisation as described in the Prospectus, to its then shareholders.

The Directors do not recommend a payment of an interim dividend for the nine months ended 31 January 2016 (2015: nil).

8. EARNINGS PER SHARE

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

	Three months ended		Nine months ended	
	31 January		31 January	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings				
Earnings for the purpose of basic earnings per share	<u>3,919</u>	<u>4,390</u>	<u>7,723</u>	<u>9,585</u>
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,437,747</u>	<u>1,235,000</u>	<u>1,302,091</u>	<u>1,235,000</u>
Earnings per share	<u>0.27</u>	<u>0.36</u>	<u>0.59</u>	<u>0.77</u>

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the periods of has been determined based on the assumption that the capitalisation issue have been effective on 1 May 2014.

Diluted earnings per share is the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the periods under review.