

Noble Engineering Group Holdings Limited **怡康泰工程集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8445

**Third Quarterly
Report
2017**

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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Noble Engineering Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries. 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

BOARD OF DIRECTORS

Executive Directors

Mr. Tse Chun Yuen
Mr. Tse Chun Kuen
Ms. Tse Ming Hei

Independent non-executive Directors

Mr. Wong Yiu Kwong Kenji
Ms. Chung Lai Ling
Mr. Tang Chi Wai

AUDIT COMMITTEE

Mr. Tang Chi Wai (Chairman)
Mr. Wong Yiu Kwong Kenji
Ms. Chung Lai Ling

NOMINATION COMMITTEE

Mr. Tse Chun Yuen (Chairman)
Mr. Wong Yiu Kwong Kenji
Ms. Chung Lai Ling

REMUNERATION COMMITTEE

Ms. Chung Lai Ling (Chairman)
Mr. Tang Chi Wai
Ms. Tse Ming Hei

COMPLIANCE OFFICER

Ms. Tse Ming Hei

COMPANY SECRETARY

Mr. Tsoi Chi Hei

AUTHORISED REPRESENTATIVES

Ms. Tse Ming Hei
Mr. Tsoi Chi Hei

COMPLIANCE ADVISER

Kingsway Capital Limited
7/F, Tower One, Lippo Centre
89 Queensway, Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

LEGAL ADVISOR

As to Hong Kong law
Guantao & Chow Solicitors and Notaries
Suites 1604-6, 16th Floor
ICBC Tower, 3 Garden Road
Central, Hong Kong
(Solicitors of Hong Kong)

As to Cayman Islands law
Appley
2206-19 Jardine House
1 Connaught Place
Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 809, 8/F.
Cheung Sha Wan Plaza, Tower II
833 Cheung Sha Wan Road
Cheung Sha Wan, Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Central, Hong Kong

COMPANY'S WEBSITE
www.nobleengineering.com.hk

STOCK CODE
8445

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2017

Unaudited third quarterly results

The unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding periods in 2016, are as follows:

	Note	Three months		Nine months	
		ended 31 December		ended 31 December	
		2017	2016	2017	2016
		HKS'000	HKS'000	HKS'000	HKS'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	105,739	76,377	303,101	216,029
Direct costs		(94,877)	(68,401)	(271,447)	(193,472)
Gross profit		10,862	7,976	31,654	22,557
Other income and gain	3	4,249	–	5,376	16
Administrative and other operating expenses		(3,922)	(6,788)	(24,336)	(10,636)
Finance costs	5(a)	(11)	(29)	(215)	(52)
Profit before income tax	5	11,178	1,159	12,479	11,885
Income tax expense	6	(1,802)	(965)	(4,259)	(2,715)
Profit and total comprehensive income for the period attributable to owners of the Company		9,376	194	8,220	9,170
Earnings per share					
Basic and diluted (HK cents per share)	7	0.02	0.04	0.02	2.04

Details of dividends of the Company are set out in note 8.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Attributable to equity shareholders of the Company				
	Share capital	Share premium	Other reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000 <i>(Note i)</i>	HK\$'000	HK\$'000
Balance at 1 April 2017 (Audited)	10,000	–	–	31,603	41,603
Profit and total comprehensive income for the period	–	–	–	8,220	8,220
Reorganisation	(10,000)	–	10,000	–	–
Share issued pursuant to the capitalisation issue	4,500	(4,500)	–	–	–
Share issued pursuant to the share offer	1,500	69,000	–	–	70,500
Share issuance costs	–	(10,513)	–	–	(10,513)
Balance at 31 December 2017 (Unaudited)	6,000	53,987	10,000	39,823	109,810

For the nine months ended 31 December 2016

	Attributable to equity shareholders of the Company				
	Share capital	Share premium	Other reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2016 (Audited)	–	–	–	19,047	19,047
Profit and total comprehensive income for the period	–	–	–	9,170	9,170
Balance at 31 December 2016 (Unaudited)	–	–	–	28,217	28,217

Note:

- i) Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the corporate reorganisation undertaken in the preparation for the listing of the Company's share (the "Shares") on GEM of the Stock Exchange (the "Reorganisation").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 12 April 2017 as an exempted company with limited liability. The shares of the Company have been listed on GEM of the Stock Exchange on 29 September 2017 (the “**Listing**”). Its parent and ultimate holding company is Land Noble Holdings Limited (“**Land Noble**”), a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Tse Chun Yuen and Mr. Tse Chun Kuen, the executive Directors of the Company.

The address of its registered office in the Cayman Islands is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 809, 8/F., Cheung Sha Wan Plaza, Tower II, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The principal activities of the Group are the provision of wet trades works services.

Prior to the Reorganisation, the group entities were under the control of Mr. Tse Chun Yuen and Mr. Tse Chun Kuen. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 6 September 2017. Accordingly, for the purpose of preparing the unaudited condensed consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the nine months ended 31 December 2017 presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Tse Chun Yuen and Mr. Tse Chun Kuen prior to and after the Reorganisation.

The unaudited condensed consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the periods presented in accordance with Accounting Guideline 5 “**Merger Accounting for Common Control Combinations**” issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated statement of profit or loss and other comprehensive income and unaudited condensed consolidated statement of changes in equity for the periods presented, which include the results and changes in equity of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the period.

These unaudited condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$000**”), which is the same as the functional currency of the Company.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

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

The following new and amended standards have been adopted by the Group:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these new and revised HKFRSs have no significant financial effect on the unaudited condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in the unaudited condensed consolidated financial statements.

The Group has not early adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

3 REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue and other income and gain recognised during the respective periods are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue				
Provision of wet trades works services	105,739	76,377	303,101	216,029
Other income and gain				
Bank interest income	–	–	212	–
Reversal of provision for impairment of trade receivables	4,249	–	5,109	–
Others	–	–	55	16
	4,249	–	5,376	16

4 SEGMENT INFORMATION

Operating Segment

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 as a single operating segment and reviews financial information accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

5 PROFIT BEFORE INCOME TAX

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

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
(a) Finance costs				
Interest on finance leases	–	29	–	52
Interest on bank overdrafts	11	–	215	–
	11	29	215	52
(b) Other items				
Depreciation of assets under finance leases	–	114	–	330
Depreciation of owned assets	182	54	571	156
	182	168	571	486
Add: Amount included in gross amounts due from customers for contract work	26	18	–	1
	208	186	571	487
Operating lease rental in respect of machinery and equipment	148	75	283	300
Less: Amount included in gross amounts due (to)/from customers for contract work	(5)	9	(16)	(49)
	143	84	267	251
Listing expenses	–	4,694	13,581	4,694
Operating lease rental in respect of premises	203	43	519	43
Provision for impairment of trade receivables	–	–	2,513	1,614
Gain on disposal of plant and equipment	–	–	(1)	–

6 INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax	1,128	980	3,902	2,976
Deferred income tax	674	(15)	357	(261)
	1,802	965	4,259	2,715

Hong Kong profits tax has been provided at the rate of 16.5% (nine months ended 31 December 2016: 16.5%) to the nine months ended 31 December 2017.

7 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Profit for the period attributable to owners of the Company (HK\$'000)	9,376	194	8,220	9,170
Weighted average number of ordinary shares ('000) (Note (a))	600,000	450,000	501,273	450,000
Basic and diluted earnings per share (HK cents per share)	0.02	0.04	0.02	2.04

Note:

- (a) In determining the number of shares in issue, the total of 450,000,000 shares issued, 1 share issued on the incorporation of the Company, 9,999 shares issued on the Reorganisation of the Group and 449,990,000 shares issued on capitalisation issue were deemed to have issued since 1 April 2016.

On 29 September 2017, upon its listing on GEM, the Company issued 150,000,000 new ordinary shares at an offer price of HK\$0.47 each and raised gross proceeds of HK\$70,500,000.

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

8 DIVIDENDS

No dividends have been proposed or paid by the Company or any of its subsidiaries during the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Development of business and prospects

The Group performs wet trades works as a subcontractor in Hong Kong.

For the nine months ended 31 December 2017, the Group recorded a net profit of approximately HK\$8.2 million as compared to a net profit of approximately HK\$9.2 million for the same period in 2016. The Directors are of the view that the decrease of net profit was primarily due to the non-recurring listing expenses of approximately HK\$13.6 million (nine months ended 31 December 2016: HK\$4.7 million) incurred for the nine months ended 31 December 2017. Setting aside the listing expenses, the Group's net profit for the nine months ended 31 December 2017 would be approximately HK\$21.8 million (nine months ended 31 December 2016: HK\$13.9 million) while the increase was primarily driven by the increase in revenue and reversal of provision for impairment of trade receivables of approximately HK\$5.1 million for the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil). In view of the fact that there has been an increasing number of project quotation invitations received by the Group from potential and current customers, and that the net proceeds from the share offer are expected to allow expansion of the Group's operational capacity, the Directors are cautiously optimistic about the Group's business outlook.

Outlook

The Shares were listed on GEM on 29 September 2017 (the "Listing Date") by way of share offer (the "Share Offer"). The Group always strives to improve our operation efficiency and profitability of our business. The Group plans to expand our fleet of machinery and equipment, which will enhance the basis of our technical capability to bid for future projects. The Group will also proactively seek opportunities to expand our customer base and our market share and undertake more wet trades projects which will enhance value to our shareholders.

The net proceeds from the Share Offer will thereby provide financial resources to the Group to meet and achieve our business objectives and strategies which will further strengthen the Group's market position in wet trades works services.

Financial review

Revenue

For the nine months ended 31 December 2017, the Group's revenue amounted to approximately HK\$303.1 million, which increased by 40.3% as compared to the same period in 2016. The increase in revenue was mainly due to increased amounts of contracts awarded during the period in 2017.

Gross profit margin

Our gross profit increased by approximately HK\$9.1 million or 40.3%, from approximately HK\$22.6 million for the nine months ended 31 December 2016 to approximately HK\$31.7 million for the nine months ended 31 December 2017. The increase in the Group's gross profit was primarily due to the increase in our revenue. The Group's gross profit margin remained stable at 10.4% for the nine months ended 31 December 2016 and 2017.

Other income and gain

Other income and gain increased by approximately HK\$5.4 million from approximately HK\$16,000 for the nine months ended 31 December 2016 to approximately HK\$5.4 million for the nine months ended 31 December 2017. The increase was mainly due to the increase in bank interest income and reversal of provision for impairment of trade receivables.

Administrative and other operating expenses

Administrative and other operating expenses increased by approximately HK\$13.7 million or 128.8% from approximately HK\$10.6 million for the nine months ended 31 December 2016 to approximately HK\$24.3 million for the nine months ended 31 December 2017. The increase was mainly due to non-recurring listing expenses of approximately HK\$13.6 million (nine months ended 31 December 2016: HK\$4.7 million) incurred for the nine months ended 31 December 2017.

Listing expenses

During the nine months ended 31 December 2017, the Group recognised non-recurring listing expenses under accrual basis of approximately HK\$13.6 million (nine months ended 31 December 2016: HK\$4.7 million), as expenses in connection with the Listing on GEM.

Finance costs

Finance costs increased by 313.5% to approximately HK\$215,000 for the nine months ended 31 December 2017 from approximately HK\$52,000 for the same period in 2016, which was mainly due to increase in bank overdrafts interest for the nine months ended 31 December 2017.

Profit for the period

For the nine months ended 31 December 2017, the Group recorded profit attributed to owners of the Company of approximately HK\$8.2 million as compared to profit recorded for the nine months ended 31 December 2016 of approximately HK\$9.2 million. The decrease was mainly attributable to the non-recurring listing expenses, while partially offset by the reversal of provision for impairment of trade receivables for the nine months ended 31 December 2017.

Setting aside the listing expenses, the Group's net profit for the nine months ended 31 December 2017 would be approximately HK\$21.8 million (nine months ended 31 December 2016: HK\$13.9 million).

Dividend

The Directors do not recommend the payment of dividend for the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil).

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 31 December 2017, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO), or which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
Mr. Tse Chun Yuen (<i>Note</i>)	Interest in a controlled corporation; interest held jointly with another person	450,000,000	75%
Mr. Tse Chun Kuen (<i>Note</i>)	Interest in a controlled corporation; interest held jointly with another person	450,000,000	75%

Note: Land Noble is beneficially owned as to 50% by Mr. Tse Chun Yuen and 50% by Mr. Tse Chun Kuen. On 9 May 2017, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen entered into the an acting in concert confirmation to acknowledge and confirm, among other things, that they are parties acting in concert within the meaning of the Hong Kong Code on Takeovers and Mergers. By virtue of the SFO, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen are deemed to be interested in the Shares held by Land Noble.

Long position in the ordinary shares of associated corporation – Land Noble

Name	Name of associated corporation	Capacity/Nature of interest	Number of shares(s) held	Percentage of interest
Mr. Tse Chun Yuen	Land Noble	Beneficial owner	1	50%
Mr. Tse Chun Kuen	Land Noble	Beneficial owner	1	50%

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executive of the Company had an interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2017, so far as is known to the Directors of the Company, the following persons (other than Directors or chief executive of the Company) had or were deemed or taken to have interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

	Capacity/Nature of Interest	Number of shares	Percentage of total issued voting shares
Land Noble	Beneficial owner	450,000,000	75%
Ms. Or So Lan (<i>Note 1</i>)	Interest of spouse	450,000,000	75%
Ms. Yapp Ngai Yang (<i>Note 2</i>)	Interest of spouse	450,000,000	75%

Notes:

1. Ms. Or So Lan is the spouse of Mr. Tse Chun Yuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Yuen is interested in for the purposes of the SFO.
2. Ms. Yapp Ngi Yang is the spouse of Mr. Tse Chun Kuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Kuen is interested in for the purposes of the SFO.

Save as disclosed above, as at 31 December 2017, so far as is known to the Directors or chief executive of the Company, no other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “**DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**” above, had any interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Kingsway Capital Limited, as at 31 December 2017, save for the compliance adviser agreement dated 16 May 2017 entered into between the Company and Kingsway Capital Limited, neither Kingsway Capital Limited, its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to rule 6A.32 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing, as set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors from the Listing Date up to the date of this report.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as required to be disclosed pursuant to rule 11.04 of the GEM Listing Rules during the nine months ended 31 December 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the Reorganisation as disclosed in the prospectus of the Company dated 19 September 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 31 December 2017.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 14 September 2017. No share option has been granted under the Share Option Scheme since its adoption.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieve a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The board of directors of the Company (the “**Board**”) has and will continue to review and improve the Company’s corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules as its own corporate governance code since the Listing Date. The Company has, so far as applicable, principally complied with the CG Code throughout the period from the Listing Date to 31 December 2017.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group’s financial reporting matters to the Board. As at the date of this report, the audit committee comprises of three independent non-executive directors, namely Mr. Tang Chi Wai, Mr. Wong Yiu Kwong Kenji and Ms. Chung Lai Ling.

The unaudited third quarterly results of the Company for the nine month ended 31 December 2017 have not been audited by the Company’s independent auditors, but have been reviewed by the audit committee members who have provided advice and comments thereon.

By order of the Board
Noble Engineering Group Holdings Limited
Tse Chun Yuen
Chairman and executive Director

Hong Kong, 7 February 2018

As at the date of this report, the executive Directors are Mr. Tse Chun Yuen, Mr. Tse Chun Kuen and Ms. Tse Ming Hei; and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.