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

2018
Interim Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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

Contents

Corporate Information

Board of Directors

Executive Directors

Mr. Tse Chun Yuen *(Chairman)*
Mr. Tse Chun Kuen *(Chief executive officer)*
Ms. Tse Ming Hei (resigned with effect on 10 September 2018)

Non-executive Director

Mr. Chan Wai Lung (appointed with effect on 10 August 2018)

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
Mr. Tse Chun Kuen

Compliance Officer

Mr. Tse Chun Yuen

Company Secretary

Mr. Tsoi Chi Hei

Authorised Representatives

Mr. Tse Chun Yuen
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 Advisers

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

As to Cayman Islands law
Appleby
2206–19 Jardine House
1 Connaught Place
Central
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Registered Office in the Cayman Islands

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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 SIX MONTHS ENDED 30 SEPTEMBER 2018

Unaudited Interim Results

The unaudited consolidated interim results of the Group for the three months and six months ended 30 September 2018, together with the unaudited comparative figures for the corresponding periods in 2017, are as follows:

	Note	Three months ended 30 September 2018 HK$'000 (Unaudited)	Three months ended 30 September 2017 HK$'000 (Unaudited)	Six months ended 30 September 2018 HK$'000 (Unaudited)	Six months ended 30 September 2017 HK$'000 (Unaudited)
Revenue	3	**104,250**	85,737	**218,745**	197,362
Direct costs		**(92,258)**	(76,607)	**(195,820)**	(176,570)
Gross profit		**11,992**	9,130	**22,925**	20,792
Other income and gain	3	**149**	845	**203**	1,127
Administrative and other operating expenses		**(3,659)**	(10,378)	**(6,577)**	(20,414)
Finance costs	5(a)	**(18)**	(59)	**(18)**	(204)
Profit/(loss) before income tax	5	**8,464**	(462)	**16,533**	1,301
Income tax expense	6	**(1,395)**	(1,079)	**(2,523)**	(2,457)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to owners of the Company		**7,069**	(1,541)	**14,010**	(1,156)
Earnings/(losses) per share					
Basic and diluted (HK cents per share)	7	**0.01**	(0.34)	**0.02**	(0.26)

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

Condensed Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2018

	Note	**As at 30 September 2018 HK$'000 (Unaudited)**	As at 31 March 2018 HK$'000 (Audited)
NON-CURRENT ASSETS			
Plant and equipment	9	**2,881**	3,379
CURRENT ASSETS			
Gross amounts due from customers for contract work		**–**	19,074
Contract assets		**26,761**	–
Trade and other receivables	10	**76,270**	63,732
Bank balances		**27,416**	62,915
Restricted cash	11	**22,820**	820
		153,267	146,541
CURRENT LIABILITIES			
Gross amounts due to customers for contract work		**–**	3,515
Trade and other payables	12	**22,610**	29,096
Current income tax liabilities		**3,857**	2,076
		26,467	34,687
NET CURRENT ASSETS		**126,800**	111,854
TOTAL ASSETS LESS CURRENT LIABILITIES		**129,681**	115,233
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**324**	402
NET ASSETS		**129,357**	114,831
CAPITAL AND RESERVES			
Share capital	13	**6,000**	6,000
Reserves	14	**123,357**	108,831
TOTAL EQUITY		**129,357**	114,831

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Attributable to equity shareholders of the Company				
	Share capital (Note 13) HK$'000	Share premium (Note 14) HK$'000	Other reserve (Note 14) HK$'000	Retained earnings HK$'000	Total HK$'000
Balance at 1 April 2018 (as originally stated) (Audited)	**6,000**	**53,987**	**10,000**	**44,844**	**114,831**
Adjustment on adoption of HKFRS 15, net of taxation	**–**	**–**	**–**	**516**	**516**
Restated balance at 1 April 2018	**6,000**	**53,987**	**10,000**	**45,360**	**115,347**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**14,010**	**14,010**
Balance at 30 September 2018 (Unaudited)	**6,000**	**53,987**	**10,000**	**59,370**	**129,357**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Attributable to equity shareholders of the Company				
	Share capital (Note 13) HK$'000	Share premium (Note 14) HK$'000	Other reserve (Note 14) HK$'000	Retained earnings HK$'000	Total HK$'000
Balance at 1 April 2017 (Audited)	10,000	–	–	31,603	41,603
Loss and total comprehensive expense for the period	–	–	–	(1,156)	(1,156)
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 30 September 2017 (Unaudited)	6,000	53,987	10,000	30,447	100,434

Condensed Consolidated Cash Flow Statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	Six months ended 30 September 2018 HK$'000 (Unaudited)	2017 HK$'000 (Unaudited)
Cash flows from operating activities		
Cash (used in)/generated from operations	**(34,303)**	5,427
Tax paid	**(937)**	(1,819)
Net cash (used in)/generated from operating activities	**(35,240)**	3,608
Cash flows from investing activities		
Purchases of plant and equipment	**(133)**	(24)
Others	**89**	1
Net cash used in investing activities	**(44)**	(23)
Cash flows from financing activities		
Net proceeds from issuance of shares	**–**	21,006
Repayment of finance leases liabilities	**–**	–
Repayments to directors	**–**	(20,432)
Others	**(215)**	(204)
Net cash (used in)/generated from financing activities	**(215)**	370
Net (decrease)/increase in cash and cash equivalents	**(35,499)**	3,955
Cash and cash equivalents at beginning of period	**62,915**	23,143
Cash and cash equivalents at ending of period	**27,416**	27,098
Analysis of balances of cash and cash equivalents		
Bank balances	**27,416**	27,098

Notes to the Condensed Consolidated Interim 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 Company's share (the "**Shares**") have been listed on GEM of the Stock Exchange on 29 September 2017. 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 50% by Mr. Tse Chun Kuen, 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 corporate reorganisation undertaken in the preparation for the listing of the Share on GEM of the Stock Exchange (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 as been considered as the holding company of the companies now comprising the Group throughout the periods have been prepared on a combined basis. 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 periods or since the respective dates of establishment of the companies comprising the Group, whichever is earlier.

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.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except for the impact mentioned in note 2.1 to the unaudited consolidated financial statements, 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.

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "*Revenue*", HKAS 11 "*Construction Contracts*" and the related Interpretations.

The Group recognises revenue from the following major sources:

- Provision of wet trades works services

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "*Revenue*" and HKAS 11 "*Construction Contracts*" and the related Interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" (Continued)

2.1.2 Summary of effects arising from initial application of HKFRS 15

The following table summarises the impact of transition to HKFRS 15 on retained profits at 1 April 2018.

	Impact of adopting HKFRS 15 at 1 April 2018 HK$'000
Retained profits	
Recognition of contract costs	**574**
Tax effects	**(58)**
Impact at 1 April 2018	**516**

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2018 HK$'000	Remeasurement HK$'000	Carrying amounts under HKFRS 15 at 1 April 2018 HK$'000
CURRENT ASSETS			
Gross amounts due from customers for contract work	**19,074**	**(19,074)**	**–**
Contract assets	**–**	**16,194**	**16,194**
CURRENT LIABILITIES			
Gross amounts due to customers for contract work	**3,515**	**(3,515)**	**–**
Current income tax liabilities	**2,076**	**132**	**2,208**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**402**	**(13)**	**389**
EQUITY			
Reserves	**108,831**	**516**	**109,347**

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments"

During the six months ended 30 September 2018, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities, (ii) expected credit losses ("**ECL**") for financial assets, contract assets and other items subject to ECL assessment, and (iii) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018 determined under HKFRS 9. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 determined under HKFRS 9 are recognised in the opening retained earnings as at 1 April 2018, without restating the comparative information.

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of financial asset within the timeframe established by the market concerned.

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(a) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All of the Group's financial assets are subsequently measured at amortised cost.

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Financial assets (Continued)

(b) Amortised cost and effective interest rate

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss.

(c) Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the six months ended 30 September 2018, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on derecognition of financial assets described below.

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Financial assets (Continued)

(d) Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets and contract assets which are subject to impairment under HKFRS 9 (including trade receivables, contract assets, deposits and other receivables, bank balances and restricted cash). The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument (referred to as Stage 2 and Stage 3). In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date (referred to as Stage 1). Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets and assesses the lifetime ECL for trade receivables and contract assets on a collective basis. The estimate of the credit loss is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the end of each reporting period, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(e) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor's ability to meet its debt obligations;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Financial assets (Continued)

(e) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default (i.e. no default history), (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(f) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

The ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables and contract assets where the correspondence adjustment is recognised through a loss allowance account.

As at 1 April 2018, the Directors reviewed and assessed the Group's existing financial assets and contract assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The Directors considered that the impairment under ECL model has no significant impact to the Group.

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" (Continued)

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

(b) Financial liabilities

Financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group.

(c) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 30 September		**Six months ended 30 September**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue				
(a) ***Disaggregation of revenue from contracts with customers***				
By timing of revenue recognition:				
Control transferred over time	**104,250**	85,737	**218,745**	197,362

(b) ***Transaction price allocated to the remaining performance obligations***

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at 30 September 2018.

	As at 30 September 2018
	HK$'000
Remaining performance obligations expected to be satisfied during the year ending:	
30 September 2019	**120,125**

The Group applies the practical expedient in paragraph C5(d) of HKFRS 15 and does not disclose information about remaining performance obligations as at 30 September 2017 expected to be satisfied in the future.

	Three months ended 30 September		**Six months ended 30 September**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Other income and gain				
Bank interest income	**149**	212	**203**	212
Provision reversed for impairment of trade receivables	**–**	580	**–**	860
Others	**–**	53	**–**	55
	149	845	**203**	1,127

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/(loss) Before Income Tax

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

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(a) Finance costs				
Interest on bank overdrafts	**18**	59	**18**	204
(b) Other items				
Depreciation of owned assets	**310**	183	**631**	389
Less: Amount included in gross amounts due from/(to) customers for contract work	**–**	(31)	**–**	(26)
	310	152	**631**	363
Operating lease rental in respect of machinery and equipment	**82**	117	**128**	135
Less: Amount included in gross amounts due from/(to) customers for contract work	**–**	(12)	**–**	(11)
	82	105	**128**	124
Listing expenses	**–**	6,994	**–**	13,581
Operating lease rental in respect of premises	**179**	158	**357**	316
Provision for impairment of trade receivables	**–**	1,083	**–**	2,513
Gain on disposal of plant and equipment	**–**	(1)	**–**	(1)

6 Income Tax Expense

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax — Hong Kong Profits Tax	**1,421**	1,197	**2,588**	2,774
Deferred income tax	**(26)**	(118)	**(65)**	(317)
	1,395	1,079	**2,523**	2,457

Hong Kong profits tax has been provided in accordance with the two-tiered profits tax regime (for the six months ended 30 September 2017: at the rate of 16.5%) to the six months ended 30 September 2018.

7 Earnings/(Losses) Per Share Attributable to Owners of the Company for the Period — Basic and Diluted

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit/(loss) for the period attributable to owners of the Company (HK$'000)	**7,069**	(1,541)	**14,010**	(1,156)
Weighted average number of ordinary shares ('000) (Note (a))	**600,000**	453,261	**600,000**	451,639
Basic and diluted earnings/(losses) per share (HK cents per share)	**0.01**	(0.34)	**0.02**	(0.26)

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 six months ended 30 September 2018 (for the six months ended 30 September 2017: Nil).

9 Plant and Equipment

During the six months ended 30 September 2018, the Group acquired items of plant and equipment with a cost of approximately HK$133,000 (for the six months ended 30 September 2017: HK$24,000).

10 Trade and Other Receivables

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
0–30 days	**25,379**	17,413
31–60 days	**1,439**	2,631
61–90 days	**–**	16
Over 90 days	**515**	–
Trade receivables, net of allowance for doubtful debts	**27,333**	20,060
Retention receivables (Note (c))	**41,114**	35,246
Other receivables, deposits and prepayments	**7,823**	8,426
	76,270	63,732

Notes:

(a) Whilst the credit period granted to customers are ranging from 17 to 35 days generally.

(b) Movements in the Group's provision for impairment of trade receivables are as follows:

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
As at 1 April 2018/1 April 2017	**69**	2,513
Provision made for the period/year	**–**	2,665
Provision reversed for the period/year	**–**	(5,109)
As at 30 September 2018/31 March 2018	**69**	69

(c) Retention receivables were not past due as at the end of each reporting period, and were settled in accordance with the terms of respective contract.

11 Restricted Cash

Restricted cash represents deposits held at an insurance company and a bank for faithful of performance in according to the contracts between the Group and the customers.

12 Trade and Other Payables

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 September 2018 HK$'000 (Unaudited)	As at 31 March 2018 HK$'000 (Audited)
0–30 days	**19,848**	25,692
31–60 days	**1,266**	107
61–90 days	**43**	219
Total trade payables	**21,157**	26,018
Accruals and other payables	**1,453**	3,078
	22,610	29,096

13 Share Capital

Details of the Company's authorised and issued ordinary share capital are as follows:

	Notes	**Number of ordinary shares**	**Share Capital** HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
As at 1 April 2017		–	–
Upon incorporation of the Company on 12 April 2017	(a)	10,000,000	100
Increase in number of authorised shares	(b)	1,490,000,000	14,900
As at 30 September 2018 and 31 March 2018		1,500,000,000	15,000
Issued and fully paid:			
As at 1 April 2017		–	–
Upon incorporation of the Company on 12 April 2017	(a)	1	–
Shares issued upon the Reorganisation	(c)	9,999	–
Shares issued pursuant to the capitalisation issue	(d)	449,990,000	4,500
Shares issued pursuant to the share offer	(e)	150,000,000	1,500
As at 30 September 2018 and 31 March 2018		600,000,000	6,000

13 Share Capital (Continued)

Notes:

(a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 12 April 2017 with an initial authorised share capital of HK$100,000 divided into 10,000,000 ordinary shares of HK$0.01 each and one nil-paid subscriber share was issued and allotted to the subscriber which was subsequently transferred to Land Noble on the same date.

(b) Pursuant to the resolutions passed by the sole shareholder of the Company on 14 September 2017, the authorised share capital of the Company was increased from HK$100,000 to HK$15,000,000 divided into 1,500,000,000 ordinary shares by the creation of an additional 1,490,000,000 ordinary shares of HK$0.01 each, ranking pari passu in all respects with the existing shares.

(c) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Noble Wisdom from Mr. Tse Chun Yuen and Mr. Tse Chun Kuen on 6 September 2017, the Company issued and allotted 9,999 ordinary shares to Land Noble, all credited as fully paid respectively.

(d) Pursuant to a written resolution passed by the sole shareholder of the Company on 14 September 2017 and conditional upon the share premium account of the Company being credited as a result of the share offer, the Company authorised to allot and issued a total of 449,990,000 ordinary shares credited as fully paid at par to the holder of the Company's shares on the register of members of the Company at the close of business on 14 September 2017 by way of capitalisation of the sum of approximately HK$4,500,000 standing to the credit of the share premium account of the Company.

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

14 Reserves

Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

Other reserve

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 Reorganisation.

Management Discussion and Analysis

Outlook

The Shares were successfully listed on GEM of the Stock Exchange (the "**Listing**") on 29 September 2017 (the "**Listing Date**"). The Group always strives to improve our operation efficiency and profitability. 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 the shareholders of the Company.

The net proceeds from the Listing will 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.

Development of business and prospects

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

For the six months ended 30 September 2018, the Group recorded a net profit of approximately HK$14.0 million as compared to a net loss of approximately HK$1.2 million for the same period in 2017. The Directors are of the view that the net profit was mainly because the Group did not incur any non-recurring listing expenses for the six months ended 30 September 2018 (for the six months ended 30 September 2017: approximately HK$13.6 million). The Group's revenue and gross profit also increased during the six months ended 30 September 2018, as the amounts of contracts awarded increased. 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 Listing are expected to allow expansion of the Group's operational capacity, the Directors are cautiously optimistic about the Group's business outlook.

Financial Review

Revenue

For the six months ended 30 September 2018, the Group's revenue amounted to approximately HK$218.7 million, which increased by approximately 10.8% as compared to the same period in 2017. The increase in revenue was mainly due to increased amounts of contracts awarded during the six months ended 30 September 2018.

Gross profit margin

Our gross profit increased by approximately HK$2.1 million or 10.1%, from approximately HK$20.8 million for the six months ended 30 September 2017 to approximately HK$22.9 million for the six months ended 30 September 2018. The Group's gross profit margin remained stable at approximately 10.5% for the six months ended 30 September 2017 and 2018.

Other income and gain

Other income and gain decreased by approximately HK$924,000 from approximately HK$1.1 million for the six months ended 30 September 2017 to approximately HK$203,000 for the six months ended 30 September 2018. The decrease was mainly due to no provision reversed for impairment of trade receivables for the six months ended 30 September 2018 (for the six months ended 30 September 2017: HK$860,000).

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK$13.8 million or 67.6% from approximately HK$20.4 million for the six months ended 30 September 2017 to approximately HK$6.6 million for the six months ended 30 September 2018. The decrease was mainly due to non-recurring listing expenses of approximately HK$13.6 million incurred for the six months ended 30 September 2017 while the Group did not incur any listing expenses for the six months ended 30 September 2018.

Finance costs

Finance costs decreased by approximately HK$186,000 or 91.2% for the six months ended 30 September 2018 from approximately HK$204,000 for the six months ended 30 September 2017 to approximately HK$18,000 for the six months ended 30 September 2018, which was mainly due to decrease in bank overdrafts interest incurred for the six months ended 30 September 2018.

Profit/(loss) for the period

For the six months ended 30 September 2018, the Group recorded profit attributed to owners of the Company of approximately HK$14.0 million as compared to loss recorded for the six months ended 30 September 2017 of approximately HK$1.2 million. The net profit was mainly attributable to no listing expenses incurred for the six months ended 30 September 2018 as mentioned above.

Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2018 (for the six months ended 30 September 2017: Nil).

Comparison of business objectives with actual business progress

An analysis comparing the business objectives as set out in the prospectus of the Company dated 19 September 2017 (the "**Prospectus**") with the Group's actual business progress for the period from the Listing Date to 30 September 2018 is set out below:

Business Strategies as stated in the Prospectus	Business objectives up to 30 September 2018 as stated in the Prospectus	Actual business progress up to 30 September 2018
Expanding our market share and competing for more wet trades projects which require the issue of surety bonds	• Take out surety bonds for six contracts	The Group has placed a project with surety bond requirement.
Further strengthening our manpower	• To hire two site agent, two assistant site agent, one assistant quantity surveyor and one safety officer to cater for two newly awarded wet trades projects	The Group has hired one site agent, three assistant site agents, one assistant quantity surveyor and one safety supervisor.
	• To hire an accountant for financial reporting purpose	The Group has internally promoted an administrative and accounting clerk to an accountant, who is solely responsible for financial reporting and hired a new staff to fill the vacancy off the administrative and accounting clerk.
	• Provide training to our existing and newly recruited staff and/or sponsor our staff to attend training courses on occupational health and safety	The Group has provided internal training to staff and sponsored our staff to attend training courses on occupational health and safety.
Acquisition of machinery and equipment	• Purchase six forklifts, 12 plaster spraying machines and 1,100 sets of parts for plaster spraying machines	The Group has acquired 13 plaster spraying machines and 1,050 sets of parts for plaster spraying machines.

Use of proceeds

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK$41.3 million. After the Listing, a part of these proceeds has been applied in accordance with the future plans and use of proceeds as set out in the Prospectus.

An analysis of the utilisation of net proceeds as at 30 September 2018 from the Listing is set out below:

	Planned use of net proceeds up to 30 September 2018 HK$ million	Actual use of net proceeds up to 30 September 2018 HK$ million
Taking out surety bonds for contracts we plan to tender	**12.0**	**20.3**
Further strengthening our manpower	**4.6**	**1.2**
Acquisition of machinery and equipment	**3.8**	**2.3**
Repayment of bank overdraft facility	**3.2**	**3.2**
General working capital	**2.1**	**2.1**

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

Capital structure

The Shares were listed on the GEM by way of Share Offer of 150,000,000 Shares at a price of HK$0.47 per share on 29 September 2017. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

Liquidity, financial resource and funding

We financed our operations primarily through cash generated from our operating activities. During the six months ended 30 September 2018, we did not have any bank borrowings. As at 30 September 2018, we had cash and cash equivalents of approximately HK$27.4 million (31 March 2018: approximately HK$62.9 million).

Our primary uses of cash and cash equivalents have been and are expected to continue to be operating costs and capital expenditure.

Gearing ratio

The gearing ratio for the Group as at 30 September 2018 was nil (31 March 2018: nil). It was calculated by dividing total obligations under total bank borrowings by total equity as at the end of each reporting period multiplied by 100%.

Material acquisitions and disposals of subsidiaries and affiliated companies

There was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2018.

Foreign exchange exposure

Most of our Group's transactions are denominated in Hong Kong dollars which is the functional and presentation currency of the Group. As such, the Directors are of the view that the Group does not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

Segment information

Management considers that the Group had only one operating segment which is provision of wet trades works services.

Charge on Group assets

As at 30 September 2018, no asset of the Group was pledged as security for bank borrowing or any other financing facilities (31 March 2018: Nil).

Capital expenditure

Total capital expenditure for the six months ended 30 September 2018 was approximately HK$133,000, which was used in the purchase of plant and equipment.

Contingent liabilities

As at 30 September 2018, the Group had no significant contingent liabilities.

Commitments

As at 30 September 2018, the Group had no significant capital commitments.

Information of employees

As at 30 September 2018, the Group had 44 full-time employees working in Hong Kong (30 September 2017: 38). The total staff costs, including directors' emoluments incurred during the six months ended 30 September 2018 were approximately HK$9.5 million (for the six months ended 30 September 2017: HK$9.0 million).

Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of training were provided to the employees.

Events after reporting period

The Group had no significant events after the end of the reporting period of this report.

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 30 September 2018, the 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 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 of interest	Number of Shares held/ interested	Percentage of shareholding
Mr. Tse Chun Yuen (Note)	Interest in a controlled corporation; interest held jointly with another person	350,000,000	58.33%
Mr. Tse Chun Kuen (Note)	Interest in a controlled corporation; interest held jointly with another person	350,000,000	58.33%

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 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/interest	Percentage of interest
Mr. Tse Chun Yuen	Land Noble Holdings Limited	Beneficial owner	1	50%
Mr. Tse Chun Kuen	Land Noble Holdings Limited	Beneficial owner	1	50%

Save as disclosed above, as at 30 September 2018, 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 of the Company

As at 30 September 2018, so far as is known to the Directors, 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:

Long Position in the Ordinary Shares of the Company

Name	Capacity/Nature of interest	Number of shares held/ interested	Percentage of total issued voting shares
Land Noble Holdings Limited	Beneficial owner	350,000,000	58.33%
Ms. Or So Lan (Note 1)	Interest of spouse	350,000,000	58.33%
Ms. Yapp Ngi Yang (Note 2)	Interest of spouse	350,000,000	58.33%

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 30 September 2018, so far as is known to the Directors, 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/or 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 30 September 2018, 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 during the six months ended 30 September 2018 and up to the date of this report.

Changes in the information of directors

With effect on 10 August 2018, Mr. Chan Wai Lung was appointed as a non-executive Director.

With effect on 10 September 2018, Ms. Tse Ming Hei resigned as an executive Director, chief executive officer, authorised representative, compliance officer and a member of the remuneration committee of the Company.

With effect on 10 September 2018, Mr. Tse Chun Yuen, an executive Director, was appointed as the authorised representative and compliance officer, and Mr. Tse Chun Kuen, an executive Director was appointed as the chief executive officer and a member of the remuneration committee of the Company.

Save as disclosed above, during the period from the date of the Company's Annual Report for the year ended 31 March 2018 until 30 September 2018, there was no change in the information of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

Sufficiency of public float

As at the date of this report, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

Competition and conflict of interests

None of the Directors, the Controlling Shareholders 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 six months ended 30 September 2018.

Purchase, sale or redemption of listed securities of the Company

During the six months ended 30 September 2018, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Share options schemes

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

Compliance with corporate governance code

The Company is committed to achieving 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.

To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2018 and up to the date of this report.

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 interim results of the Company for the six months ended 30 September 2018 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, 12 November 2018

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