



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

2019

First Quarterly
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.

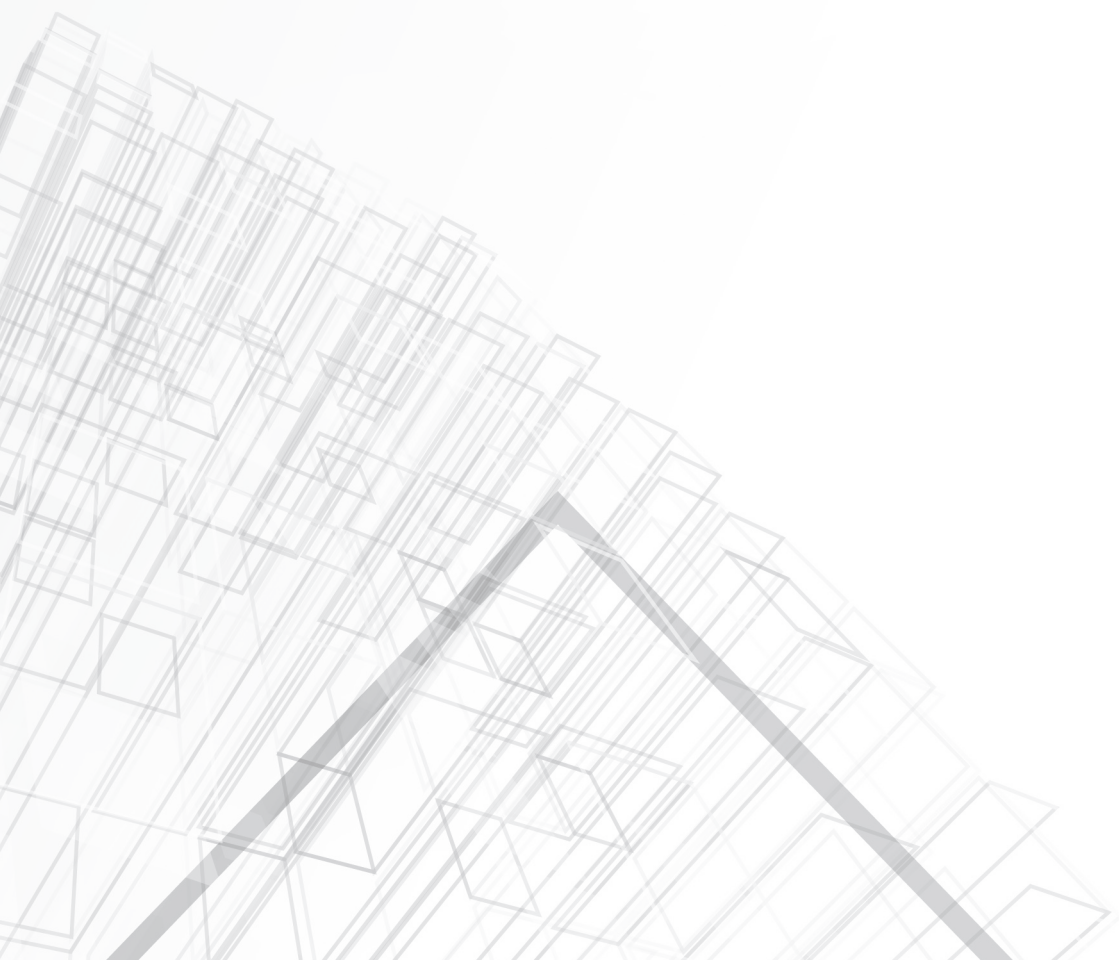
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*This report, for which the directors (the “**Directors**”) of Noble Engineering Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars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

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Corporate Information

Board of Directors

Executive Directors

Mr. Tse Chun Yuen (*Chairman*)
Mr. Tse Chun Kuen (*Chief executive officer*)

Non-executive Director

Mr. Chan Wai Lung

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 1801-3, 18th Floor
One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong
(Solicitors of Hong Kong)

As to Cayman Islands law
Appleby
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 ENDED 30 JUNE 2019

Unaudited First Quarterly Results

The unaudited consolidated results of the Group for the three months ended 30 June 2019, together with the unaudited comparative figures for the corresponding period in 2018, are as follows:

| | Notes | Three months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2019 HK\$'000 (Unaudited) | 2018 HK\$'000 (Unaudited) |
| Revenue | 3 | 59,054 | 114,495 |
| Direct costs | | (54,566) | (103,562) |
| Gross profit | | 4,488 | 10,933 |
| Other income and gain | 3 | 72 | 54 |
| Administrative and other operating expenses | | (2,294) | (2,918) |
| Profit before income tax | 5 | 2,266 | 8,069 |
| Income tax expense | 6 | (177) | (1,128) |
| Profit and total comprehensive income for the period attributable to owners of the Company | | 2,089 | 6,941 |
| Earnings per share | | | |
| Basic and diluted (HK cents per share) | 7 | 0.003 | 0.012 |

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

Condensed Consolidated Statement of Changes in Equity

FOR THE THREE MONTHS ENDED 30 JUNE 2019

| | Attributable to equity shareholders of the Company | | | | |
|--|--|---------------|---------------------------|-------------------|----------------|
| | Share capital | Share premium | Other reserve (Note i) | Retained earnings | Total |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 April 2019 (Audited) | 6,000 | 53,987 | 10,000 | 57,081 | 127,068 |
| Profit and total comprehensive income for the period | - | - | - | 2,089 | 2,089 |
| Balance at 30 June 2019 (Unaudited) | 6,000 | 53,987 | 10,000 | 59,170 | 129,157 |

FOR THE THREE MONTHS ENDED 30 JUNE 2018

| | Attributable to equity shareholders of the Company | | | | |
|---|--|---------------|---------------------------|-------------------|----------|
| | Share capital | Share premium | Other reserve (Note i) | Retained earnings | Total |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Balance at 1 April 2018 (as originally stated) | 6,000 | 53,987 | 10,000 | 44,844 | 114,831 |
| Effect arising from initial application of HKFRS 15 | - | - | - | 516 | 516 |
| Effect arising from initial application of HKFRS 9 | - | - | - | (209) | (209) |
| Balance at 1 April 2018 (as restated) | 6,000 | 53,987 | 10,000 | 45,151 | 115,138 |
| Profit and total comprehensive income for the period | - | - | - | 6,941 | 6,941 |
| Balance at 30 June 2018 (Unaudited) | 6,000 | 53,987 | 10,000 | 52,092 | 122,079 |

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 is an investment holding company. The Company and its subsidiaries is principally engaged in provision of wet trades works services.

The Company was incorporated in the Cayman Islands on 12 April 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 29 September 2017.

As at 30 June 2018 and 2019, 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.

The addresses of the registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Room 809, 8/F., Cheung Sha Wan Plaza, Tower II, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

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 the preparation of the unaudited condensed consolidated financial statements of the Group, the Company has been considered as the holding company of the companies comprising the Group after the Reorganisation throughout the periods 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 comprising the Group after the Reorganisation, have been prepared as if the current group structure had been in existence throughout the periods presented, or since their respective dates of incorporation, where this is a shorter 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 quarterly financial information has been prepared in accordance with accounting policies conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) applicable to interim periods and the applicable disclosure requirements of the GEM Listing Rules. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the quarterly financial information for the three months ended 30 June 2019 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2019.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting periods beginning on or after 1 January 2019, the adoption has no material impact on how the results and financial positions of the Group for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

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:

(a) Disaggregation of revenue from contracts with customers

| | Three months ended 30 June | |
|--|----------------------------|-------------|
| | 2019 | 2018 |
| | HK\$’000 | HK\$’000 |
| | (Unaudited) | (Unaudited) |
| By timing of revenue recognition: | | |
| Control transferred over time | 59,054 | 114,495 |
| By type of services: | | |
| Provision of wet trades works services | 59,054 | 114,495 |

(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 were unsatisfied (or partially unsatisfied) as at 30 June 2019.

| | As at 30 June 2019 HK\$'000 |
|---|-----------------------------------|
| Remaining performance obligations expected to be satisfied during the year ending: | |
| 30 June 2020 | 122,772 |

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 June 2018 expected to be satisfied in the future.

| | Three months ended 30 June | |
|------------------------------|----------------------------|-------------|
| | 2019 | 2018 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Other income and gain | | |
| Bank interest income | 72 | 48 |
| Others | — | 6 |
| | 72 | 54 |

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 wet trades works service business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

5 Profit Before Income Tax

Profit before income tax is arrived at after charging:

| | Three months ended 30 June | |
|--|-----------------------------------|-------------|
| | 2019 | 2018 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Depreciation of owned assets | 492 | 321 |
| Operating lease rental in respect of machinery and equipment | 83 | 46 |
| Operating lease rental in respect of premises | 230 | 178 |

6 Income Tax Expense

| | Three months ended 30 June | |
|-------------------------------------|-----------------------------------|-------------|
| | 2019 | 2018 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax — Hong Kong Profits Tax | 237 | 1,167 |
| Deferred income tax | (60) | (39) |
| | 177 | 1,128 |

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. The two-tiered profits tax rates regime will be applicable to a subsidiary of the Group for its annual reporting period beginning on or after 1 April 2018.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the three months ended 30 June 2018 and 2019, Hong Kong Profits Tax of the qualified entity is calculated in accordance with the two-tiered profit tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% of the estimated assessable profits arising in or derived from Hong Kong for the three months ended 30 June 2018 and 2019.

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

| | Three months ended 30 June | |
|--|-----------------------------------|-------------|
| | 2019 | 2018 |
| | (Unaudited) | (Unaudited) |
| Profit for the period attributable to owners of the Company (HK\$'000) | 2,089 | 6,941 |
| Weighted average number of ordinary shares ('000) | 600,000 | 600,000 |
| Basic and diluted earnings per share (HK cents per share) | 0.003 | 0.012 |

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 three months ended 30 June 2018 and 2019.

8 Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during the three months ended 30 June 2019 (for the three months ended 30 June 2018: Nil).

Management Discussion and Analysis

Development of business and prospects

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

For the three months ended 30 June 2019, the Group recorded a net profit of approximately HK\$2.1 million as compared to a net profit of approximately HK\$6.9 million for the same period in 2018. The Directors are of the view that the decrease of net profit was mainly attributable to the decrease in revenue for the three months ended 30 June 2019.

In light of the core difficulties in the wet trades industry, the Group intends to implement a more prudent approach in project selection in the upcoming year; that is to say, the Group will selectively place tenders to well-established contractors and well-known business partners to ensure projects on hand remain steady and receivables are sound.

The Group will continue to improve our operating efficiency and profitability of our business and plan 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 market share and undertake more wet trades projects which will enhance value to our shareholders and stakeholders.

The Board believes the Group's business strategy and industry expertise could generate and contribute greater value to its shareholders and investors.

Outlook

The Shares were listed on GEM on 29 September 2017 by way of share offer (the "**Share Offer**"). The Group always strives to improve our operating 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 our shareholders.

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

Financial review

Revenue

For the three months ended 30 June 2019, the Group's revenue amounted to approximately HK\$59.1 million, which decreased by approximately 48.4% as compared to the same period in 2018. The decrease in revenue was primarily attributable to a decrease in contracting revenue due to (i) the delay in commencement of new projects being awarded to the Group; and (ii) substantial completion of the projects on hand in the third quarter of calendar year 2018.

Gross profit margin

Our gross profit decreased by approximately HK\$6.4 million or 58.7%, from approximately HK\$10.9 million for the three months ended 30 June 2018 to approximately HK\$4.5 million for the three months ended 30 June 2019. The decrease in the Group's gross profit was primarily due to the decrease in our revenue. The Group's gross profit margin decreased from approximately 9.5% for the three months ended 30 June 2018 to approximately 7.6% for the three months ended 30 June 2019, which was primarily due to the increase in overall construction cost and the intensified competition in the market for new projects.

Other income and gain

Other income and gain increased by approximately HK\$18,000 from approximately HK\$54,000 for the three months ended 30 June 2018 to approximately HK\$72,000 for the three months ended 30 June 2019. The increase was mainly due to the increase of bank interest income for the three months ended 30 June 2019.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK\$0.6 million or 20.7% from approximately HK\$2.9 million for the three months ended 30 June 2018 to approximately HK\$2.3 million for the three months ended 30 June 2019. The decrease was mainly due to decrease in safety consulting fee.

Profit for the period

For the three months ended 30 June 2019, the Group recorded profit attributed to owners of the Company of approximately HK\$2.1 million as compared to profit for the three months ended 30 June 2018 of approximately HK\$6.9 million. The decrease was mainly attributable to the decrease in gross profit for the three months ended 30 June 2019.

Dividend

The Directors do not recommend the payment of a dividend for the three months ended 30 June 2019 (for the three months ended 30 June 2018: 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 30 June 2019, 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 Securities and Futures Ordinance ("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 they were 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 pursuant to 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/ interested | 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 June 2019, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be 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 they were 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 pursuant to 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.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

So far as is known to the Directors, as at 30 June 2019, 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:

- 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.
- 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 June 2019, 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 interests or 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.

Interest of the Compliance Adviser

As confirmed by the Group's compliance adviser, Kingsway Capital Limited (the "**Compliance Adviser**"), save as to the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 16 May 2017, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interests in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Directors' Securities Transactions

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 of the Company (the "**Required Standard of Dealing**"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and there was no event of non-compliance during the three months ended 30 June 2019.

Competition and Conflict of Interests

None of the Directors, the controlling shareholders of the Company or any of their 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 three months ended 30 June 2019.

Purchase, Sale or Redemption of Listed Securities of the Company

During the three months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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.

Corporate Governance Code

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholder value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix 15 of the GEM Listing Rules since the Listing Date up to the date of this report. During the three months ended 30 June 2019, to the best knowledge of the board of Directors of the Company (the “**Board**”), the Company has complied with the code provisions of the CG Code.

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 first quarterly results of the Company for the three months ended 30 June 2019 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, 8 August 2019

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 Mr. Chan Wai Lung and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.