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NGA CHUN HOLDINGS COMPANY LIMITED

雅駿控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board (the “Board”) of Directors (the “Directors”) of Nga Chun Holdings Company Limited (the “Company”) is pleased to present the unaudited consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2014 (the “Reporting Period”) together with comparative figures for the corresponding period in the previous year as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 September 2014

		Unaudited Six months ended 30 September 2014	2013
	<i>Notes</i>	HK\$'000	HK\$'000
REVENUE	5	312,978	250,788
Contract costs		(283,783)	(216,574)
Gross profit		29,195	34,214
Other income and gains	5	262	241
Administrative expenses		(14,008)	(6,365)
Finance costs		(646)	(255)
Profit before tax	6	14,803	27,835
Income tax expense	7	(3,957)	(4,612)
Profit and total comprehensive income for the period		<u>10,846</u>	<u>23,223</u>
Profit and total comprehensive income attributable to owners of the parent		<u>10,846</u>	<u>23,223</u>
Earnings per share attributable to ordinary equity holders of the parent (HK cents)			
Basic and diluted	9	<u>3.6</u>	<u>7.7</u>

Details of dividend are disclosed in note 8 to the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2014

		Unaudited 30 September 2014 <i>Notes</i> <i>HK\$'000</i>	Audited 31 March 2014 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		64,380	65,487
Prepayments for acquisition of property, plant and equipment		4,363	—
Pledged deposit for a life insurance product		6,048	5,963
Total non-current assets		74,791	71,450
CURRENT ASSETS			
Gross amount due from customers for contract works		62,245	57,588
Accounts receivable	10	46,443	55,412
Prepayments, deposits and other receivables		2,910	3,105
Cash and cash equivalents		93,851	96,491
Total current assets		205,449	212,596
CURRENT LIABILITIES			
Accounts payables	11	30,910	26,956
Accruals of costs for contract works		40,373	48,707
Tax payable		8,937	7,377
Other payables and accruals		3,518	3,492
Interest-bearing bank loans		45,867	57,833
Dividend payable	8	36,000	—
Total current liabilities		165,605	144,365
NET CURRENT ASSETS		39,844	68,231
TOTAL ASSETS LESS CURRENT LIABILITIES		114,635	139,681
NON-CURRENT LIABILITIES			
Deferred tax liabilities		284	176
Nets assets		114,351	139,505
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	10	—
Reserves		114,341	139,505
Total equity		114,351	139,505

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. REORGANISATION AND BASIS OF PRESENTATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Unit B, 10/F., Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong.

The Company is an investment holding company. The Group's principal subsidiaries were engaged in the provision of building services ("Building Services") in Hong Kong.

Pursuant to the reorganisation in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 22 September 2014. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 October 2014 (the "Listing"). Details of the Reorganisation are set out in the section headed "History and Reorganisation" in the prospectus of the Company dated 30 September 2014 (the "Prospectus").

As the Reorganisation only involved inserting new holding entities at the top of an existing company and has not resulted in any change of economic substances, this unaudited condensed consolidated interim financial information have been presented as a continuation of the existing company using the pooling of interests method. Accordingly, this unaudited condensed consolidated interim financial information are prepared as if the current group structure had been in existence before and after the Reorganisation.

No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All significant intragroup transactions and balances have been eliminated on combination.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2014 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accounts ("HKICPA") and the applicable disclosure requirements set out in Appendix 16 of Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The accounting policies and the basis of preparation adopted in the preparation of this condensed consolidated financial information is consistent with those followed in the preparation of the Group's combined financial information for the year ended 31 March 2014 included in the Accountants' Report (the "Accountants' Report") in the Prospectus issued by the Company.

This condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated. This condensed consolidated financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's Audit Committee.

3. PRINCIPAL ACCOUNTING POLICIES

In the Reporting Period, the Group has adopted, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA:

HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i>
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation — <i>Offsetting Financial Assets and Financial Liabilities</i>
HKAS 39 Amendments	Amendments to HKAS 39 Financial Instruments: <i>Recognition and Measurement</i> — <i>Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>

The adoption of these new and revised HKFRSs has had no significant impact on the accounting policies of the Group and the methods of computation in the Group’s unaudited condensed consolidated interim financial information.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective, in this condensed consolidated financial information. The Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application. So far, the Group considers that the new and revised HKFRSs that are not yet effective are unlikely to have a significant impact on the Group’s results of operations and financial position.

4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the provision for Building Services. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

The Group’s revenue from external customers was derived solely from its operations in Hong Kong during the six months ended 30 September 2014 and 2013, and the non-current assets of the Group were located in Hong Kong as at 30 September 2014 and 31 March 2014.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$’000	HK\$’000
Revenue		
Contract revenue	312,978	250,788
Other income and gains		
Interest income	117	—
Gross rental income	120	240
Sundry income	25	1
	262	241

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Depreciation	1,486	837
Employee benefit expenses (exclusive of directors' remuneration)	16,541	14,432
Directors' remuneration	5,137	4,611

7. INCOME TAX

Hong Kong profit tax has been provided at the rate of 16.5% (six months ended 30 September 2013: 16.5%) on the estimated assessable profits arising in Hong Kong for the Reporting Period.

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Current — Hong Kong Charge for the period	3,849	4,693
Deferred	108	(81)
Total tax charge for the period	3,957	4,612

8. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2014 (Six months ended 30 September 2013: Nil).

On 8 September 2014 and before the completion of the Reorganisation, Fungs E & M Engineering Company Limited ("Fungs E & M"), a subsidiary of the Company declared and approved an interim dividend of HK\$36,000,000 to its then shareholder. Such dividend was paid in October 2014. Investors who became the shareholders of the Company after the Listing were not entitled to such dividend.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share for the six months ended 30 September 2014 is based on the profit attributable to owners of the parent of approximately HK\$10,846,000 (six months ended 30 September 2013: approximately HK\$23,223,000), and on the assumption that 300,000,000 (six months ended 30 September 2013: 300,000,000) ordinary shares of the Company, representing the number of ordinary shares of the company after completion of the Reorganisation and the Capitalisation Issue as defined in note 12 to the condensed consolidated interim financial information, have been in issue throughout the Reporting Period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2014 and 2013 as the Company had no potentially dilutive ordinary share in issue during those periods.

10. ACCOUNTS RECEIVABLE

	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Due from third parties	19,826	33,617
Due from related parties	26,617	21,795
	<u>46,443</u>	<u>55,412</u>

Accounts receivable represented receivables for contract works. The payment terms of receivables for contract works are stipulated in the relevant contracts and the receivables are usually due for settlement within 7 days after the customers receive interim payments from their project employers.

At 30 September 2014, retentions receivable (including those classified under amounts due from related parties) included in accounts receivable amounted to HK\$17,570,000 (31 March 2014: HK\$16,111,000), which are repayable on terms ranging from two to three years.

The credit terms offered to the related parties are similar to those offered to other major independent customers of the Group.

The aging analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Past due but not impaired:		
One to three months past due	—	158
Four to six months past due	—	155
Over six months past due	2,649	2,380
	<u>2,649</u>	<u>2,693</u>
Neither past due nor not impaired:	43,794	52,719
	<u>46,443</u>	<u>55,412</u>

Accounts receivable that were past due but not impaired relate to a number of independent customers and a related party that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancement over these balances.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers and related parties for whom there was no recent history of default.

11. ACCOUNTS PAYABLE

	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Due to third parties	30,910	23,930
Due to related parties (<i>Note</i>)	—	3,026
	<u>30,910</u>	<u>26,956</u>

Note: These amounts were unsecured, interest-free and are normally settled on 60-day terms. The credit terms offered by the related parties are similar to those offered by other major independent suppliers of the Group.

An aging analysis of the accounts payable at the end of the reporting date, based on the invoice date, is as follows:

	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Current to 3 months	30,910	26,892
Over six months	—	64
	<u>30,910</u>	<u>26,956</u>

At 30 September 2014, retentions payable included in accounts payable amounted to HK\$7,136,000 (31 March 2014: HK\$6,261,000) which are normally settled on terms ranging from two to three years.

Accounts payable are non-interest-bearing and are normally settled within three months. The payment terms are stipulated in the relevant contracts.

12. ISSUED CAPITAL

	Unaudited 30 September 2014 HK\$'000
Authorised:	
1,000,000,000 ordinary shares of HK\$0.01 each	<u>10,000</u>
Issued and fully paid:	
1,000,000 ordinary shares of HK\$0.01 each	<u>10</u>

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 21 May 2014 with authorised share capital of HK\$370,000 divided into 37,000,000 shares of HK\$0.01 each. On the date of incorporation, one ordinary share of HK\$0.01 was allotted and issued by the Company to its then sole shareholder.

Pursuant to the ordinary resolutions of the sole shareholder of the Company passed on 22 September 2014, the authorised share capital of the company was increased from HK\$370,000 divided into 37,000,000 shares to HK\$10,000,000 divided into 1,000,000,000 shares by the creation of an additional 963,000,000 new shares of par value of HK\$0.01 each, ranking pari passu in all respects with the existing shares of the Company.

The movements in the Company's issued share capital during the period from 21 May 2014 (date of incorporation) to 30 September 2014 were as follows:

	Unaudited Number of Shares in issue	Unaudited Issued capital HK\$'000
As at 21 May 2014	1	—
Issue of shares pursuant to the Reorganisation	999,999	10
	<hr/>	<hr/>
As at 30 September 2014	<u>1,000,000</u>	<u>10</u>

On 22 September 2014, Team Great Limited ("Team Great") transferred all the shares it held in Fungs E & M to a direct wholly-owned subsidiary of the Company in consideration of the Company allotting and issuing 999,999 ordinary shares in connection with the Reorganisation. Further details are set out in the paragraph "Corporate Reorganisation" in the section headed "History and Reorganisation" in the Prospectus.

Pursuant to the authority given by the resolutions of the sole shareholder of the Company passed on 22 September 2014, a sum of HK\$2,990,000 standing to credit of the share premium account of the Company was approved to be capitalised and applied for the allotment and issue of 299,000,000 ordinary shares of HK\$0.01 each, credited as fully paid at par on 16 October 2014 (the "Capitalisation Issue").

On 16 October 2014, 100,000,000 ordinary shares of HK\$0.01 each of the Company were issued at HK\$1.1 per share by way of public offering and placing. On the same date, the Company's shares were listed on the Main Board of the Stock Exchange.

13. EVENTS AFTER THE REPORTING PERIOD

- (a) On 13 August 2014, the Group entered into a provisional sale and purchase agreement with an independent third party to purchase a land and building at a consideration of HK\$4,130,000. The transaction was completed on 3 October 2014.
- (b) The shares of the Company were listed on the Main Board of the Stock Exchange on 16 October 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of Building Services in Hong Kong as a subcontractor.

The engineering works undertaken by the Group are mainly related to (i) electrical installation works; (ii) air-conditioning installation works; and (iii) fire services installation works. The Group undertake engineering projects in both public and private sectors, which are mainly building related projects including (i) new building development; and (ii) existing building renovation. All of the Group's revenues were derived in Hong Kong.

As at 30 September 2014, the Group had over 50 one-off projects and retainer projects in progress, with a total estimated outstanding contract sum and work order value of approximately HK\$1,177.5 million. The Group's business is undertaken by an operating subsidiary, Fungs E & M, a Building Services engineering specialist in various building works in both public and private sectors in Hong Kong. Since 1 April 2014, and up to the date of this report, the Group was awarded with new contracts with an aggregate estimated contract sum of approximately HK\$20.7 million.

Events After The Reporting Period

The Group has entered into a provisional sale and purchase agreement with an independent third party on 13 August 2014 to acquire a unit with gross area of approximately 970 square feet located at Unit H5, 11/F, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong, at a consideration of HK\$4.13 million, for general office use. The transaction was completed on 3 October 2014.

On 16 October 2014, the Company completed an initial public offering on the Main Board of the Stock Exchange, which marked a milestone for the Group. The net proceeds from the Listing are estimated to be approximately HK\$92.6 million.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 September 2014 was approximately HK\$313.0 million representing an increase of approximately 24.8% from approximately HK\$250.8 million in the same period of the last financial year. This increase was mainly due to the combined effect of:

- (i) Higher revenue of approximately HK\$99.2 million recognised for 3 one-off projects which had achieved significant progress during the Reporting Period while these projects were at preliminary stage or had not yet commenced and only approximately HK\$4.0 million was recognised as revenue in the same period of the last financial year;
- (ii) Higher revenue of approximately HK\$56.4 million for 4 retainer projects which the Group had completed work orders with greater aggregate value during the Reporting Period while only approximately HK\$15.9 million was recognised as revenue in the same period of the last financial year; and

- (iii) Lower revenue of HK\$4.7 million for a one-off project which was substantially completed in the year ended 31 March 2014 while approximately HK\$77.2 million was recognised as revenue in the same period of the last financial year.

Gross profit margin

The gross profit margin decreased from approximately 13.6% for the six months period ended 30 September 2013 to approximately 9.3% for the six months ended 30 September 2014, primarily due to the higher revenue from a one-off project as mentioned above which contributed a significant amount of the Group's revenue during the six months ended 30 September 2014 and has a lower gross profit margin.

Other income and gains

The Group's other income and gains were approximately HK\$262,000 and HK\$241,000 for the six months ended 30 September in 2014 and 2013 respectively. Other income and gains mainly comprises bank interest income and rental income from leasing a certain portion of the Group's office to an external party.

Administrative expenses

The Group's administrative expense for the six months ended 30 September 2014 was approximately HK\$14.0 million, representing an increase of 120.1% from approximately HK\$6.4 million in same period of the last financial year. This was mainly attributable to the recognition of listing expense of approximately HK\$6.4 million during the six months ended 30 September 2014.

Net profit after tax

For the six months ended 30 September 2014, the Group recorded net profit of approximately HK\$10.8 million, a decrease of approximately 53.3% as compared to the net profit of approximately HK\$23.2 million for the corresponding period in the last financial year. This was mainly due to the increase in administrative expenses and the decrease in gross profit.

Liquidity and Financial Resources

The Group has funded the liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, cash inflows from operating activities and proceeds received from the Listing of the Company on 16 October 2014.

The total interest-bearing bank borrowings of the Group decreased from approximately HK\$57.8 million as at 31 March 2014 to approximately HK\$45.9 million as at 30 September 2014. All borrowings were repayable on demand and denominated in Hong Kong dollar. The interest rates of the Group's interest-bearing bank borrowings are primarily repriced every month based on the change of HIBOR. The Group currently does not have an interest rate hedging policy and the Group monitors interest risk continuously and considers hedging any excessive risk when necessary. As at 30 September 2014, the total banking facilities of the Group amounted to approximately HK\$71.2 million (31 March 2014: approximately HK\$78.1 million).

As of 30 September 2014, the Group had cash and cash equivalents of approximately HK\$93.9 million, representing a decrease of 2.7% from approximately HK\$96.5 million as of 31 March 2014. The Group did not have pledged deposits as at 30 September 2014 and 31 March 2014. The decrease in cash and cash equivalents during the Reporting Period was mainly due to the combined effects of

(i) net cash inflow from operating activities of approximately HK\$14.1 million; (ii) prepayments made for acquisition of property, plant and equipment of approximately HK\$4.4 million; and (iii) the repayment of interest-bearing bank loans of approximately HK\$12.0 million.

Gearing ratio is calculated based on the amount of total interest-bearing bank loans divided by the total equity. Decrease in gearing ratio from 41.5% as at 31 March 2014 to 40.1% as at 30 September 2014 was mainly due to the repayment of interest-bearing bank loans during the six months ended 30 September 2014.

As at 30 September 2014, the Group had aggregate banking facilities of approximately HK\$51.3 million which was not utilised. As at 30 September 2014, the banking facilities were secured by (i) unlimited guarantee provided by Mr. Fung Chi Wing (“Mr. Fung”), the Company’s executive Director; (ii) legal charge over a building of the Group with carrying amount of approximately HK\$49.7 million; and (iii) pledged deposit of life insurance product with a carrying amount of approximately HK\$6.1 million. The unlimited guarantee provided by Mr. Fung was released and replaced by unlimited guarantees provided by the Company upon Listing on 16 October 2014.

Contingent Liabilities

In the ordinary course of the Group’s Building Services business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

Capital Commitments

As at 30 September 2014, the Group did not have any significant capital commitments (31 March 2014: Nil).

PROSPECTS

The Building Services industry is steering towards designing and installing more complex and more energy efficient systems for buildings in Hong Kong. The public’s increasing awareness of energy efficiency, and indoor air quality and sustainability have triggered contractors in the Building Services industry to construct better heating, ventilation and air conditioning systems. The increasing popularity of intelligent buildings such as the Hong Kong Central Library, International Commerce Centre etc. has also played a role in the industry. These buildings are technologically more advanced and provided a cost-effective built environment through the optimisation of structure, systems, services and management, in order to maximise the efficiency of its occupants and allow effective management of resources with minimum life costs. Therefore, the design and installation work processes that go into the servicing of intelligent buildings are more complicated.

Moreover, with the aging of buildings in Hong Kong, building maintenance and renovation works are envisaged. This further escalates the need for greater provision of Building Services engineering works to be done for the foreseeable future.

In view of the aforesaid market development and the increasing spending of the Government on construction works as well as the current growth prospects for Building Services industry mainly caused by the Government’s intention and policy to stabilise the local property market by increasing the supply of both private and public residential units, such as securing land for public rental housing and home ownership scheme, and resumption of the land sale program, the Directors believe that

the gross output value of the Building Services industry in Hong Kong will continue to rise. Having considered solid experience in the Building Services industry, possession of the requisite licenses and registration for undertaking engineering projects in both private and public sectors of the Group, the Directors are of the view that the Group is well positioned to capture the emerging business opportunities.

FOREIGN EXCHANGE RISK

Since the Group operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, and the Group's assets and liabilities are primarily denominated in Hong Kong dollar, the Directors believe that the Group's risk in foreign exchange is insignificant and the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, there was no acquisition or disposal of subsidiaries and associated companies by the Company save as disclosed in the Prospectus.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Company did not hold any significant investment.

STAFF AND REMUNERATION POLICY

As of 30 September 2014, the Group employed 79 employees in Hong Kong. The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis with reference to their performance and work experience and with reference to the prevailing market conditions. Staff benefits include mandatory provident fund and training programs.

The total remuneration cost incurred by the Group for the Reporting Period was approximately HK\$21.7 million (six months ended 30 September 2013: approximately HK\$19.0 million).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the period from the date of listing of the Company's share on the Stock Exchange on 16 October 2014 (the "Listing Date") to the date of this announcement.

CORPORATE GOVERNANCE

As the Company's share were not yet listed on the Stock Exchange as at 30 September 2014, the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules was not applicable to the Company for the period under review. The Company has adopted the Code as its corporate governance code of practices and has complied with the code provisions of the Code for the period from the Listing Date to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

As the Company's shares were not yet listed on the Stock Exchange as at 30 September 2014, the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules was not applicable to the Company for the period under review. The Company has adopted a model code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard as set out in the Model Code for the period from the Listing Date to the date of this announcement. Having made specific enquiry of all Directors of the Company, all Directors have confirmed that they complied with the required standards set out in the model code of conduct regarding securities transactions by Directors for the period from the Listing Date to the date of this announcement.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

On 16 October 2014, the Company was successfully listed on the Main Board of the Stock Exchange. The initial public offering by way of public offering and placing in Hong Kong was welcomed by investors.

Based on the offer price of HK\$1.1 per share, the net proceeds from the share offering received by the Company, net of underwriting commissions and other estimated listing expenses, are estimated to be approximately HK\$92.6 million.

As stated in the Prospectus dated 30 September 2014, the Company intends to use the proceeds for (i) the operation of prospective projects; (ii) the hiring of additional staff including project managers and experienced engineering staff by the year ending 31 March 2018; (iii) the upgrade of the Group's computer system and software in the next three to five years; and (iv) the general working capital of the Group.

As at the date of this announcement, the Group does not anticipate any change to the above use of proceeds.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend in respect of the Reporting Period.

REVIEWED BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three Independent Non-Executive Directors, Dr. Leung Shiu Ki Albert (Chairman), Ir Ho Pun Hing, Ir Szeto Ka Sing, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed the Group's condensed consolidated financial information for the six months ended 30 September 2014, including the accounting principles adopted by the Group, with the Company's management.

PUBLICATION OF INTERIM REPORT

This interim report will be published on the respective websites of the Stock Exchange <http://www.hkexnews.hk> and the Company (<http://www.ngachun.com.hk>). It will also be despatched to the shareholders of the Company and made available for review on the aforesaid websites.

By order of the Board
Nga Chun Holdings Company Limited
Fung Chi Wing
Chairman

Hong Kong, 27 November 2014

As at the date of this announcement, the Board comprises Mr. Fung Chi Wing, Ir Wong Chi Wai, Ms. Fung Mei Lan as executive Directors; and Ir Ho Pun Hing, Ir Szeto Ka Sing, Dr. Leung Shiu Ki Albert as independent non-executive Directors.