



創業集團(控股)有限公司  
New Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2221



**INTERIM REPORT 2014**

# CONTENTS

Corporate Information	<b>2</b>
Management Discussion and Analysis	<b>4</b>
Other Information	<b>13</b>
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>21</b>
Condensed Consolidated Statement of Financial Position	<b>22</b>
Condensed Consolidated Statement of Changes in Equity	<b>24</b>
Condensed Consolidated Statement of Cash Flows	<b>25</b>
Notes to the Condensed Consolidated Financial Statements	<b>26</b>

# CORPORATE INFORMATION

## Executive Directors

Mr. Chu Shu Cheong (Chairman)  
Mr. Kwan Man Hay  
Mr. So Kin Shing  
Ms. Lai Mun Yee

## Non-executive Director

Dr. Huen Wai Kei (re-designated from independent non-executive Director on 1 November 2014)

## Independent Non-executive Directors

Mr. Lo Chun Chiu, Adrian  
Dr. Tong Ka Lok  
Mr. Choy Wai Shek, Raymond, *MH, JP*

## Audit Committee

Dr. Tong Ka Lok (Chairman)  
Mr. Lo Chun Chiu, Adrian  
Mr. Choy Wai Shek, Raymond, *MH, JP*  
(appointed on 1 November 2014)

## Remuneration Committee

Mr. Choy Wai Shek, Raymond, *MH, JP* (Chairman)  
(appointed as Chairman on 1 November 2014)  
Mr. Kwan Man Hay  
Mr. Lo Chun Chiu, Adrian  
(appointed on 1 November 2014)  
Dr. Tong Ka Lok  
(appointed on 1 November 2014)

## Nomination Committee

Mr. Lo Chun Chiu, Adrian (Chairman)  
Mr. Chu Shu Cheong  
Dr. Tong Ka Lok  
Mr. Choy Wai Shek, Raymond, *MH, JP*

## Company Secretary

Mr. Chow Chi Keung, *HKICPA*

## Authorized Representatives

Mr. Kwan Man Hay  
Ms. Lai Mun Yee

## Independent Auditors

World Link CPA Limited  
*Certified Public Accountants*  
5th Floor, Far East Consortium Building  
121 Des Voeux Road Central  
Hong Kong

## Registered Office

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

## Headquarters, Head Office and Principal Place of Business in Hong Kong

Room 1812, Nan Fung Commercial Centre  
19 Lam Lok Street, Kowloon Bay  
Kowloon, Hong Kong

## Legal Advisors

*As to Hong Kong law*  
Loong & Yeung Solicitors  
Suites 2001–2006, 20th Floor  
Jardine House, 1 Connaught Place  
Central, Hong Kong

*As to Cayman Islands law*  
Appleby  
2206–19, Jardine House  
1 Connaught Place  
Central, Hong Kong

## Compliance Advisor

Halcyon Capital Limited  
11th Floor, 8 Wyndham Street  
Central, Hong Kong

### **Principal Bankers**

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

Industrial and Commercial Bank of China (Asia) Limited  
33rd Floor, ICBC Tower  
3 Garden Road  
Central, Hong Kong

### **Principal Share Registrar and Transfer Office**

Appleby Trust (Cayman) Ltd.  
Clifton House, 75 Fort Street  
P.O. Box 1350, Grand Cayman  
KY-1108, Cayman Islands

### **Hong Kong Branch Share Registrar and Transfer Office**

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

### **Stock Code**

2221

### **Company Website**

[www.ncfl.com.hk](http://www.ncfl.com.hk)

# MANAGEMENT DISCUSSION AND ANALYSIS

## Unaudited Interim Results

The board (the "Board") of directors (the "Directors") of New Concepts Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2014 (the "Period") together with comparative unaudited figures for the corresponding period ended 30 September 2013.

## Financial Highlights

	For the six months ended		Change %
	30 September		
	2014	2013	
	HK\$'000	HK\$'000	
Consolidated Turnover	<b>324,536</b>	201,740	60.9%
Gross Profit	<b>46,758</b>	28,381	64.8%
Profit Attributable to the Owners of the Company	<b>18,535</b>	18,542	(0.04%)
Earnings per Share	<b>HK6.05 cents</b>	HK6.18 cents	(2%)
Dividend per share	<b>HK2.5 cents</b>	—	100%
Current Ratio	<b>1.61</b>	1.58	

## Management Discussion and Analysis

The Group is a contractor in the Hong Kong construction industry and are principally engaged in foundation, civil engineering and general building works in Hong Kong.

The Company's shares were successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 September 2014.

### Business Review

For the Period, the Group reached a number of significant milestones while at the same time delivered a solid performance in the market, especially the substantial completion of the Un Chau Street project that posed significant new challenges. Turnover of the Group for the Period amounted to approximately HK\$324,536,000, representing a growth of approximately 60.9% as compared with approximately HK\$201,740,000 for the corresponding period of 2013. Gross Profit for the Period was approximately HK\$46,758,000, representing an increase of approximately 64.8% as compared to the corresponding period of 2013. Profit attributable to equity holders of the Company for the Period was approximately HK\$18,535,000, representing a decrease of approximately 0.04% as compared to the corresponding period of 2013. Basic earnings per share for the Period was approximately HK6.05 cents as compared with approximately HK6.18 cents for the corresponding period of 2013. The profit for the Period included an one-off non-recurring listing expenses of approximately HK\$9,646,000. Without the deduction of the aforesaid listing expenses, the Group achieved a profit of approximately HK\$28,181,000 for the Period as compared with the corresponding profit of approximately HK\$18,542,000 of 2013.

**Segmental Analysis****Foundation Projects**

The foundation works of the Group include bored piling, driven H-piling, socketed H-piling, mini-piles, footing foundation and pile cap works. During the Period, the foundation industry has benefited from the vast investment in infrastructure projects in Hong Kong and foundation piling and construction related businesses of the Group recorded a substantial increase in turnover.

For the Period, turnover of foundation projects amounted to approximately HK\$228,487,000, representing a significant growth of approximately 501.6% as compared with approximately HK\$37,977,000 for the corresponding period of last year. This turnover accounted for approximately 70.4% of the Group's turnover. The significant increase in turnover was mainly attributable to the increase in the number and scale of projects for foundation works, namely the Yuen Long Project and Sai Kung Project, which amounted to approximately HK\$105,619,000, accounted for approximately 46.2% of total turnover of foundation works. The increase in average contract value for foundation projects carried out during the Period also contributed to the increase in turnover.

Gross profit of foundation projects for the Period was approximately HK\$35,143,000, representing a growth of approximately 348.7% as compared with approximately HK\$7,833,000 for the corresponding period of 2013. The increase in gross profit was mainly attributable to the increase in contract value of foundation works and the reduction of leasing expenses in relation to the machineries used for foundation projects. Since most of the Group's projects approached their peak stage of development, the Group sub-contracted the works of the Yuen Long Project and Wanchai Road Project to independent third parties during the Period and made the resources and machineries of the Group available to perform and undertake the other projects with high profit margin, which contributed to the increase in its gross profit. The Directors considered that the progress on these projects was satisfactory and the contribution of these projects in turnover and profit will be significant in the second half of 2014.

The overall profit margin of foundation projects decreased to approximately 15.4% for the Period from approximately 20.6% as compared with the corresponding period of 2013. Such decrease was attributable to the high profit margin of the MGM (Macau) Project for the corresponding period in 2013.

**General Building Projects**

The construction industry in Hong Kong remained strong for the Period and improved steadily with the launch of government projects. The Group acts as main contractor in some building projects, and may also be retained as sub-contractors in projects of alterations and additions, renovation, and fitting-out for existing buildings.

For the Period, turnover of general building projects amounted to approximately HK\$56,706,000, representing a significant decrease of approximately 60.1% as compared with HK\$142,087,000 for the corresponding period of 2013. This turnover accounted for approximately 17.5% of the Group's overall turnover. The significant decrease in turnover of general building projects was mainly attributable to the decrease in turnover in the Un Chau Street Project for the Period, which had contributed a significant portion of turnover of general building in the corresponding period in 2013.

Gross profit of general building projects for the Period was approximately HK\$10,011,000, representing a decrease of approximately 49.4% as compared with approximately HK\$19,789,000 for the corresponding period of 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS

The overall profit margin of general building projects increased to approximately 17.7% for the Period from approximately 13.9% as compared with the corresponding period last year. Such increase was attributable to the higher profit margin of the MacDonnell Road Project during the Period.

### Civil Engineering Projects

Civil engineering works of the Group include site formation (including associated infrastructure works), roads and drainage works and landslip preventive and remedial works to slopes and retaining walls.

For the Period, turnover of civil engineering projects amounted to approximately HK\$39,343,000, representing an increase of approximately 81.5% as compared with approximately HK\$21,676,000 for the corresponding period of 2013. This turnover contributed approximately 12.1% of the Group's overall turnover. The Group has a competitive advantage for provision of foundation and civil engineering which attracts potential customers to consider the Group as main contractor. It is the main reason for the Group to have a steadily increasing turnover for civil engineering projects during the Period.

Gross profit of civil engineering projects for the Period was approximately HK\$1,604,000, representing a growth of approximately 111.3% as compared with approximately HK\$759,000 for the corresponding period of 2013. The overall profit margin of civil engineering projects increased to approximately 4.1% for the Period from approximately 3.5% as compared with the corresponding period of 2013. The increase in its gross profit and profit margin was mainly attributable to the increase in the overall contract value of civil engineering works during the Period.

### New Projects Awarded

As at 30 September 2014, the Group has secured 8 new contracts with an aggregate contract value of approximately HK\$685,430,000, among which projects related to foundation and civil engineering accounted for approximately 93% and approximately 7%, respectively. The details of new projects awarded were as follows:

Name of project	Location	Sector	Main category of works
Oil Street Project	Oil Street, North Point, I.L. No. 8920 Hong Kong	Foundation	Earthwork (ELS, Pile Caps, Tie Beams and Steel Working Platform) and Associated Works
Kwai Chung Project	D.D.445 Lot 693 Sec. B R.P. 16–18 Yip Shing Street, Kwai Chung	Foundation	Construction of Large Diameter Bored Piles
Tseung Kwan O 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works
Sai Kung Project	Lot No.1950 in DD221, Wai Man Road, Sai Kung, N.T.	Foundation	Construction of Socketed H-Piles and Pipe Piles
Des Voeux Road West Project	307–329 Des Voeux Road West	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works

Name of project	Location	Sector	Main category of works
Kau To Project	Shatin Lot S.T.T.L.563, Area 56A, Kau To, N.T.	Civil Engineering	Site Formation and Construction of Pipe Piles and Pad Footings
Tsuen Wan Project	TW6, TWTL402 Tsuen Wan	Foundation	Grout Curtain & Dewatering Well Works
Zhuhai-Macao Bridge Project	Hong Kong-Zhuhai-Macao Bridge	Foundation	Construction of Large Diameter Bored Piles

### Projects in Progress

As at 30 September 2014, the Group had 18 projects in progress, amounting to an aggregated contract value of approximately HK\$1,187,000,000. The details of projects in progress were as follows:

Name of project	Location	Sector	Main category of works
Central Slopes Project	Central and Western District, Hong Kong	Civil Engineering	Landslip Preventive and Mitigation Works
Wong Tai Sin Project	Tse Wan Shan, Wong Tai Sin, Kowloon	Civil Engineering	Landslip Preventive and Mitigation Works
MacDonnell Road Project	No.3 MacDonnell Road, Mid-levels	Building	Construction of Soldier Pile, ELS, Pile Cap, Basement Works
Harbour Area (North HK) Project	North Point, Wan Chai East and Central	Foundation	Construction of Pre-bored H Piles
Harbour Area (South HK) Project	Sandy Bay, Cyberport, Wah Fu, Aberdeen and Ap Lei Chau	Foundation	Construction of Pre-bored H Piles
Wanchai Road Project	No.101-111 Wanchai Road, Wan Chai	Foundation	Excavation and Pile Cap Works
Yuen Long Project	On Ning Road, Tai Kiu Road and Yuen Long On Lok Road, Yuen Long, N.T.	Foundation	Site Formation, Excavation and Lateral Support and Pile Cap Works



## MANAGEMENT DISCUSSION AND ANALYSIS

Name of project	Location	Sector	Main category of works
Tsing Wun Road Project	Tsing Wun Road, Tuen Mun; Po Kong Village Road and Fung Tak Road, Wong Tai Sin; Lai Chi Kok Road, Lai Chi Kok; Chak On Street, Shek Kip Mei; Harbour Road, Wan Chai	Foundation	Construction of Mini-piles
Tsing Yi Project	Chung Mei Road, Tsing Yi, N.T.	Foundation	Excavation and Lateral Support and Underground Drainage Works
Tseung Kwan O project	Town Lot No.117, Tseung Kwan O, Kowloon	Foundation	Excavation and Lateral Support and Underground Drainage Works
Oil Street Project	Oil Street, North Point, I.L. No. 8920 Hong Kong	Foundation	Earthwork (ELS, Pile Caps, Tie Beams and Steel Working Platform) and Associated Works
Kwai Chung Project	D.D.445 Lot 693 Sec. B R.P. 16-18 Yip Shing Street, Kwai Chung	Foundation	Construction of Large Diameter Bored Piles
Tseung Kwan O 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works
Sai Kung Project	Lot No.1950 in DD221, Wai Man Road, Sai Kung, N.T.	Foundation	Construction of Socketed H-Piles and Pipe Piles
Des Voeux Road West Project	307-329 Des Voeux Road West	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works
Kau To Project	Shatin Lot S.T.T.L.563, Area 56A, Kau To, N.T.	Civil Engineering	Site Formation and Construction of Pipe Piles and Pad Footings
Tsuen Wan Project	TW6, TWTL402 Tsuen Wan	Foundation	Grout Curtain & Dewatering Well Works
Zhuhai-Macao Bridge Project	Hong Kong-Zhuhai-Macao Bridge	Foundation	Construction of Large Diameter Bored Piles

### Completed Projects

For the Period, the Group completed 2 projects. The details of completed projects were as follows:

Name of project	Location	Sector	Main category of works
Un Chau Street Building Project	386–408 Un Chau Street, Sham Shui Po, Kowloon	Building	Construction of a 30 Storey Residential Building
Kap Pin Long Project	Po Lo Che Road, Kap Pin Long, Sai Kung, N.T.	Building	Construction of Socketed H-Piles and Soldier Piles

### Outlook

The Hong Kong economy is expected to continue its moderate growth, particularly for the construction industry as the Government has resolved to increase land supply for housing development projects. The Group also expects that foundation industry in Hong Kong remains healthy in the forthcoming years. This is driven by strong construction activities in both public and private sectors due to the increase in the land supply, which has led to an increase in private-sector developments.

Taking into account the construction industry in Hong Kong, the Board remains prudently optimistic about the business outlook. The prospects of the Group are favourable in terms of the number of projects awarded and expected to obtain in the coming few years, especially given the Group's proven record in completing Un Chau Street projects and a closed connection with main contractors and sub-contractors in construction industry.

Moving forward, the Group will maintain focusing its core businesses on foundation, civil engineering and general building works. To maintain and increase its turnover, the Group will submit tender proposals for most of the tender invitations in Hong Kong Government works and public tender notices. Other marketing activities include putting up banners and/or signages displaying the names and logo of our trademark at construction sites.

In addition, the Group strictly complied with the laws and regulations, especially in the area of health and safety. The Group is committed to provide a safe and healthy working environment for the benefit of our staff, our sub-contractors and the general public and implemented safety plan to promote occupational health and safety at construction sites. To be a socially responsible corporation, we are dedicated to develop and implement sustainably good corporate policies in areas including environmental protection, staff management and development as well as occupational health and safety over the statutory requirements.

### Financial Review

#### Results

Turnover of the Group for the six months ended 30 September 2014 was approximately HK\$324,536,000, representing an increase of approximately 60.9% from approximately HK\$201,740,000 for the six months ended 30 September 2013. Gross profit increased by approximately 64.8% from approximately HK\$28,381,000 for the six months ended 30 September 2013 to approximately HK\$46,758,000 for the six months ended 30 September 2014. Total comprehensive income attributable to owners of the Company decreased by approximately 0.04% to approximately HK\$18,535,000 for the six months ended 30 September 2014 from approximately HK\$18,542,000 for the corresponding period of 2013. The overall gross profit margin of the Group slightly increased from approximately 14.1% for the six months ended 30 September 2013 to approximately 14.4% for the six months ended 30 September 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in total comprehensive income attributable to owners of the Company was mainly attributable to inclusion of an one-off non-recurring listing expenses of approximately HK\$9,646,000 during the Period.

Basic earnings per share for the six months ended 30 September 2014 decreased to HK6.05 cents per share when compared with HK6.18 cents per share for the six months ended 30 September 2013, based on the profit attributable to owners of the Company of HK\$18,535,000 (2013 : HK\$18,542,000) and the weighted average of 306,557,377 shares (2013: 300,000,000 shares) in issue during the Period.

### Other income and net gains

Other income and net gains of the Group decreased from a net gain of approximately HK\$8,531,000 for the six months ended 30 September 2013 to a net gain of approximately HK\$3,184,000 for the six months ended 30 September 2014, mainly due to decrease in machinery rental income and management fee income during the Period.

### Administrative expenses

Administrative expenses of the Group increased by approximately 34.6% from approximately HK\$4,023,000 for six months ended 30 September 2013 to approximately HK\$5,413,000 for the six months ended 30 September 2014, representing approximately 2% and 1.7% of the Group's turnover for the respective periods, respectively. The increase in administrative expenses was primarily due to the increases in both the number of staff employed and the staff costs during the Period.

### Finance costs

Finance costs of the Group increased by approximately 160.7% from approximately HK\$135,000 for the six months ended 30 September 2013 to approximately HK\$352,000 for the six months ended 30 September 2014, primarily due to an increase in interest expenses relating to hire purchase incurred during the Period.

Interest rates of finance leases ranged from 1.18% to 3.25% for the six months ended 30 September 2014, as compared with 3.00% to 3.25% for the six months ended 30 September 2013.

### Other expenses

Other expenses of the Group increased by approximately 110.3% from approximately HK\$9,049,000 for the six months ended 30 September 2013 to approximately HK\$19,026,000 for six months ended 30 September 2014. Such increase was primarily due to an increase in an one-off non-recurring listing expenses of approximately HK\$9,646,000.

### Taxation

Tax charge of the Group increased by approximately 28.1% from approximately HK\$5,163,000 for the six months ended 30 September 2013 to approximately HK\$6,616,000 for six months ended 30 September 2014, primarily due to the increase in taxable profit of the Group for the Period.

### Liquidity and financial resources

The Group maintained a sound financial position during the Period. As at 30 September 2014, the Group had a cash and bank balance of approximately HK\$83,346,000 (31 March 2014: approximately HK\$35,101,000). The total interest-bearing loans of the Group as at 30 September 2014 was approximately HK\$24,232,000 (31 March 2014: approximately 15,331,000), and current ratio for the Period was approximately 1.61 (31 March 2014: approximately 1.58).

The Group's borrowings and bank balances are principally denominated in Hong Kong Dollar and there is no significant exposure to foreign exchange rate fluctuations.

### Gearing ratio

The gearing ratio of the Group as at 30 September 2014 was approximately 18.4% (31 March 2014: approximately 31.1%).

The decrease in gearing ratio was mainly attributable to the increase in shareholders' equity contributed during the Period.

The gearing ratio is calculated as the payables incurred not in the ordinary course of business (excluding loan from a director) divided by total equity as at the respective periods.

### Pledge of assets

As at 30 September 2014, the Group pledged its bank deposit with value of HK\$3,063,000 (31 March 2014: HK\$3,056,000) as collateral to secure banking facilities granted to the Group. Save for the above, the Group did not have any charges on its assets (31 March 2014: Nil).

### Foreign Exchange Exposure

All of the revenue-generating operations and borrowings of the Group were transacted in Hong Kong Dollars which is the presentation currency of the Group. For the Period, there is no significant exposure to foreign exchange rate fluctuations and the Group has not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

### Capital structure

The Shares of the Company were listed on the Stock Exchange on 19 September 2014. There has been no change in capital structure of the Company since 19 September 2014. The capital of the Company comprises ordinary shares and capital reserves.

As at 30 September 2014, the equity attributable to owners of the Company amounted to approximately HK\$131,603,000, representing approximately HK\$0.33 per share (31 March 2014: approximately HK\$49,370,000, representing approximately HK\$3.52 per share). Decrease in equity attributable to owners per share of the Company was mainly attributable to the profit generated after deduction of dividends paid and the increase in number of shares of the Company during the Period.

### Capital commitments

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

### Human Resources Management

As at 30 September 2014, the Group had 111 (31 March 2014: 75) employees, including Directors. Total staff costs (including Directors' emoluments) were approximately HK\$4,478,000 for the six months ended 30 September 2014 as compared to approximately HK\$3,480,000 for the six months ended 30 September 2013. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefit, injury insurance and medical insurance as well as share options.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Significant investments held

Except for investment in subsidiaries during the six months ended 30 September 2014, the Group did not hold any significant investment in equity interest in any other company.

### Material acquisitions and disposals of subsidiaries and affiliated companies

For the Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

### Contingent liabilities

As at 30 September 2014, the Group had an outstanding performance bond for construction contracts amounted to approximately HK\$3 million (31 March 2014: approximately HK\$22.3 million) and involved in a number of outstanding claims and litigations amounted to approximately HK\$2.64 million (31 March 2014: approximately HK\$2.64 million), of which approximately HK\$2.59 million were covered by insurance policy of the Group.

Particulars of the contingent liabilities of the Group are set out in note 17 to the condensed consolidated financial statements.

### Events after the Period

On 6 November 2014, New Concepts Foundation Limited (the "Subsidiary"), a wholly-owned subsidiary of the Company entered into the Agreements with the supplier, pursuant to which the Subsidiary acquired from the supplier the foundation work machines comprising two sets of BAUER MC 96 foundation crane and one set of Kobelco CKS900-90 ton crawler crane for a consideration of HK\$28,820,948, which will be financed partly by the net proceeds of approximately HK\$6,200,000 from the Share Offer and partly financed by hire-purchase of approximately HK\$22,600,000. Please refer to the announcements of the Company dated 6 November 2014, 7 November 2014 and 19 November 2014 for details.

### Company reorganisation and listing of shares

The Company was incorporated in the Cayman Islands with limited liability on 3 April 2014 as an exempted company and became the holding company of the subsidiaries comprising the Group in 2014. Details of the corporate reorganisation are set out in the paragraph headed “A. Further information about our Company and our Group – 4. Corporate reorganisation” in Appendix IV to prospectus of the Company dated 4 September 2014 (the “Prospectus”).

The Company’s shares were successfully listed on the Stock Exchange on 19 September 2014.

### Use of Proceeds from Initial Public Offering

The net proceeds of the share offer received by the Company were approximately HK\$64.54 million, after deduction of the underwriting fees and commission and expenses. These proceeds are intended to be applied in accordance with the proposed application set out in the paragraph headed “Future Plans and Use of Proceeds – Use of proceeds” in the Prospectus. The Directors are not aware of material change to the planned use of proceeds as at the date of this report. Any net proceeds that were not applied immediately have been placed on the short-term demand deposits with authorized financial institutions or licensed banks in Hong Kong as at the date of this report.

As at 30 September 2014, the net proceeds of the share offer have not been applied and utilized. Up to the date of this report, the Company utilized approximately HK\$6.2 million from the net proceeds of share offer for acquisition of equipment for its foundation work projects.

### Interim Dividend

The Board has resolved to declare payment of an interim dividend for the six months ended 30 September 2014 of HK2.5 cents per share (2013: Nil), totaling HK\$10,000,000 to the shareholders. It is expected that the interim dividend will be paid on or about 19 December 2014 to the shareholders whose names appear on the register of members of the Company on 11 December 2014.

### Closure of Register of Members

The register of members of the Company will be closed between 10 December 2014 and 11 December 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to establish entitlement to the interim dividend (payable on or about 19 December 2014), all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 pm on 9 December 2014 for registration of transfer.

## OTHER INFORMATION

### Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the change of directors' information of the Company are as follows:

Dr. Huen Wai Kei ("Dr. Huen") has been re-designated from an independent non-executive Director to a non-executive Director of the Company with effect from 1 November 2014. Subsequent to his re-designation, Dr. Huen has ceased to be the member of the audit committee and the chairman of the remuneration committee of the Company with effect from 1 November 2014.

Mr. Lo Chun Chiu, Adrian has been appointed as the member of the remuneration committee of the Company with effect from 1 November 2014.

Dr. Tong Ka Lok has been appointed as the member of the remuneration committee of the Company with effect from 1 November 2014.

Mr. Choy Wai Shek, Raymond, *MH, JP* has been appointed as the member of the audit committee and chairman of remuneration committee of the Company with effect from 1 November 2014.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### Share Option Scheme

Pursuant to the written resolutions passed by the sole shareholder of the Company on 26 August 2014, the Company has conditionally adopted the Share Option Scheme.

### Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

### Participants under the Share Option Scheme and basis of eligibility:

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or advisor of our Group, or any substantial shareholder of our Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of our Group, options to subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

### Principal terms of the Share Option Scheme

Details of the principal terms of the Share Option Scheme are set out in paragraph headed “Share Option Scheme” in section headed “Statutory and General Information” in Appendix IV to the Prospectus. The principal terms of the Share Option Scheme are summarized as follows:

The Share Option Scheme was adopted for a period of 10 years commencing from 26 August 2014 and will remain in force until 25 August 2024 unless terminated earlier by the shareholders of the Company in the general meeting. The Company may by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the option, which must be a business day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of a Share on the date of grant of the option.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not in aggregate exceed 10% of all the Shares in issue as at 19 September 2014. Therefore, the Company may grant options in respect of up to 40,000,000 Shares (or such numbers of Shares as shall result from a sub-division or a consolidation of such 40,000,000 Shares from time to time) to the participants under the Share Option Scheme.

The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit.

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in the general meeting with such grantee and his associates abstaining from voting.



## OTHER INFORMATION

Any grant of an option to a Director, chief executive or substantial shareholder of our Company (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option).

Where any grant of options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options is required to be approved by Shareholders at a general meeting of the Company, with voting to be taken by way of poll.

During the Period, no option has been granted by the Company to subscribe for Share of the Company.

Apart from the aforesaid Share Option Scheme, at no time during the six months ended 30 September 2014 and up to the date of this report was any of the Company or any associated corporation a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

## Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the 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 any such director or chief executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as referred to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### (i) Interests in the Company

Interests in ordinary shares							
Name of directors	Personal interests	Family interests	Corporate interests	Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	% of the Company's issued share capital
Chu Shu Cheong	—	—	300,000,000 (Note)	300,000,000	—	300,000,000	75.00%
Kwan Man Hay	—	—	75,000,000 (Note)	75,000,000	—	75,000,000	18.75% (attributable interest)

Note:

The 300,000,000 shares are held by Prosper Power Group Ltd. Each of Mr. Chu Shu Cheong ("Mr. Chu") and Mr. Kwan Man Hay ("Mr. Kwan") owns 75% and 25% of the issued share capital of Prosper Power Group Ltd., respectively. Prosper Power Group Ltd. is the beneficial owner holding 75% shareholding interest in the Company and thus Mr. Chu will be deemed or taken to be interested in all the Shares which are to be beneficially owned by Prosper Power Group Ltd. for the purpose of the SFO. Mr. Chu and Mr. Kwan are directors of Prosper Power Group Ltd.

## OTHER INFORMATION

### (ii) Interests in the associate corporation

Name of directors	Name of associate corporation	Capacity/Nature	No. of shares held	% of the issued share capital of associate corporation
Chu Shu Cheong	Prosper Power Group Ltd.	Interest in controlled corporation	75	75.00%
Kwan Man Hay	Prosper Power Group Ltd.	Interest in corporation	25	25.00%

Save as disclosed above, as at 30 September 2014 none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of 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 they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Listing Rules relating to the required standard of dealings by the directors to be notified to the Company and the Stock Exchange.

### Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company

So far as is known to the Directors, as at 30 September 2014, the following persons (not being a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provision 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, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:-

#### Long positions in the shares of the Company

Name of shareholders	Capacity	Number of shares held	Approximate percentage of shareholding in the Company
Prosper Power Group Ltd.	Beneficial owner	300,000,000 (Note)	75.00%

Note:

Prosper Power Group Ltd. is a company incorporated in the British Virgin Islands, which holds 75% shareholding interest in the Company. Prosper Power Group Ltd. is owned as to 75% and 25% by Mr. Chu and Mr. Kwan, respectively.

Save as disclosed under the sections headed “Directors’ and chief executives’ interests or short positions in shares, underlying shares and debentures” and “Substantial Shareholders’ Interests and/or Short Position in Shares and Underlying Shares of the Company” above, as at 30 September 2014, no other person was individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and was able, as a practical matter, to direct or influence the management of the Company.

### **Competition and Conflict of Interests**

Save and except for the interests in the Group, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the Period.

### **Purchase, Sale or Redemption of the Company’s Listed Securities**

The Company’s shares were listed on the Stock Exchange on 19 September 2014. During the period from 19 September 2014 to 30 September 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

### **Model Code for Securities Transactions by Directors**

Pursuant to a resolution passed by the Board on 26 August 2014, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with all Directors, all Directors confirmed in writing that they have complied with the required standard set out in the Model Code regarding their securities transactions during the period from 19 September 2014 to 30 September 2014.

### **Corporate Governance Practices**

The Board believes that good corporate governance is one of the areas leading to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

In the opinion of the Directors, the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules during the Period.

## OTHER INFORMATION

### Audit Committee

The Audit Committee of the Company was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the relevant Code Provisions. The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system and internal control procedures, and to provide advice and comments to the Board. The members meet regularly with the external auditor and/or the Company's senior management for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that the management has discharged its duty to have an effective internal control system.

The Audit Committee comprises three independent non-executive Directors, namely Dr. Tong Ka Lok (Chairman), Mr. Lo Chun Chiu, Adrian and Mr. Choy Wai Shek, Raymond, *MH, JP*.

The interim results of the Group for the Period are unaudited but have been reviewed by the Audit Committee of the Company, which is of the opinion that the interim financial information of the Group complies with the applicable accounting principles, practices adopted by the Group, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board  
**New Concepts Holdings Limited**  
**Chu Shu Cheong**  
*Chairman and Executive Director*

Hong Kong, 21 November 2014

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	NOTES	Six months ended 30 September	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Turnover	4	<b>324,536</b>	201,740
Cost of sales		<b>(277,778)</b>	(173,359)
Gross profit		<b>46,758</b>	28,381
Other income and net gains		<b>3,184</b>	8,531
Administrative expenses		<b>(5,413)</b>	(4,023)
Other operating expenses		<b>(19,026)</b>	(9,049)
Operating profit		<b>25,503</b>	23,840
Finance costs	6	<b>(352)</b>	(135)
Profit before taxation	5	<b>25,151</b>	23,705
Income tax expense	7	<b>(6,616)</b>	(5,163)
Profit and total comprehensive income for the period attributable to equity holders of the Company		<b>18,535</b>	18,542
Earnings per share — basic	8	<b>HK Cents 6.05</b>	HK Cents 6.18

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	NOTES	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	53,017	33,888
<b>Current assets</b>			
Trade and other receivables	11	174,332	69,084
Amounts due from customers for contract work		26,901	3,081
Amount due from a director		18,310	18,310
Pledged bank deposit	12	3,063	3,056
Cash and bank balances	12	83,346	35,101
		305,952	128,632
<b>Total assets</b>		<b>358,969</b>	<b>162,520</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	13	40,000	14,000
Reserve		91,603	35,370
<b>Total equity</b>		<b>131,603</b>	<b>49,370</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	NOTES	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loan from a director		<b>18,310</b>	18,310
Deferred tax liabilities		<b>4,592</b>	2,950
Obligations under finance leases		<b>14,927</b>	10,251
		<b>37,829</b>	31,511
<b>Current liabilities</b>			
Trade and other payables	14	<b>144,675</b>	57,557
Amounts due to customers for contract work		<b>26,241</b>	14,661
Obligations under finance leases		<b>9,305</b>	5,080
Provision for taxation		<b>9,316</b>	4,341
		<b>189,537</b>	81,639
<b>Total liabilities</b>		<b>227,366</b>	113,150
<b>Total equity and liabilities</b>		<b>358,969</b>	162,520
<b>Net current assets</b>		<b>116,415</b>	46,993
<b>Total assets less current liabilities</b>		<b>169,432</b>	80,881



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014 (unaudited)

	Note	Share Capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2013		14,000	—	—	37,223	51,223
Profit and total comprehensive Income for the period		—	—	—	18,542	18,542
Balance at 30 September 2013		14,000	—	—	55,765	69,765
Balance at 1 April 2014		<b>14,000</b>	—	—	<b>35,370</b>	<b>49,370</b>
Capitalisation issue	13(d)	<b>30,000</b>	<b>(30,000)</b>	—	—	—
Arising from the reorganisation	13(b)	<b>(14,000)</b>	—	<b>14,000</b>	—	—
Placing of shares	13(e)	<b>10,000</b>	<b>76,000</b>	—	—	<b>86,000</b>
Expenses incurred in connection with the placing of shares		—	<b>(7,302)</b>	—	—	<b>(7,302)</b>
Profit and total comprehensive income for the period		—	—	—	<b>18,535</b>	<b>18,535</b>
Dividend to equity holders		—	—	—	<b>(15,000)</b>	<b>(15,000)</b>
Balance at 30 September 2014		<b>40,000</b>	<b>38,698</b>	<b>14,000</b>	<b>38,905</b>	<b>131,603</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2014

	Note	Six months ended 30 September	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Net cash (used in)/generated from operating activities		<b>(2,243)</b>	23,202
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		<b>(22,148)</b>	(10,825)
Increase in amounts due from directors		—	(13,885)
Net cash used in investing activities		<b>(22,148)</b>	(24,710)
<b>Cash flows from financing activities</b>			
Increase in pledged bank deposits		<b>(8)</b>	—
Inception from obligations under finance leases		<b>16,565</b>	3,851
Repayments of obligations under finance leases		<b>(7,663)</b>	(1,069)
Issue of share capital		<b>26,000</b>	—
Share premium		<b>52,699</b>	—
Interest received		<b>(43)</b>	—
Placing of shares		<b>86</b>	—
Dividend paid		<b>(15,000)</b>	—
Net cash generated from financing activities		<b>72,636</b>	2,782
<b>Net increase in cash and cash equivalents</b>		<b>48,245</b>	1,274
<b>Cash and cash equivalents at beginning of the period</b>		<b>35,101</b>	24,613
<b>Cash and cash equivalents at end of the period, represented by bank balances and cash</b>		<b>83,346</b>	25,887

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

## 1. General Information, Changes in Group Structure, Group Reorganisation and Basis of Presentation

New Concepts Holdings Limited was incorporated in the Cayman Islands on 3 April 2014 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. Its registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY-1108, Cayman Islands. The address of its principal place of business in Hong Kong is located at Room 1812, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance on 20 June 2014. The Company's shares (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 September 2014.

Pursuant to a reorganisation (the "Reorganisation") of the Company and its subsidiaries now comprising the Group on 13 August 2014 to rationalize the Group's structure in preparation for the listing of the Shares on the the Main Board of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 4 September 2014 (the "Prospectus").

The Company is an investment holding company. The Group's subsidiaries are principally engaged in general building works, foundation works and civil engineering works.

## 2. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

## 3. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2014 except for the adoption of the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not yet adopted any new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and revised HKFRSs on the Group's results and financial position.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Group's functional and presentation currency.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 4. Turnover and Segmental Information

Turnover represents the revenue derived from foundation works, civil engineering works and general building works as follows:

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Foundation works	<b>228,487</b>	37,977
Civil engineering works	<b>39,343</b>	21,676
General building works	<b>56,706</b>	142,087
	<b>324,536</b>	201,740

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods delivered or services provided.

The Group's operating segments currently are (i) foundation works (ii) civil engineering works and (iii) general building works. The CODM considered that the business of the Group is organised in three operating segments, which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 4. Turnover and Segmental Information (continued)

#### (a) Segment information

The following is an analysis of the Group's revenue and results by operating segments.

*For the six months ended 30 September 2014 (Unaudited)*

	Foundation works HK\$'000	Civil engineering works HK\$'000	General Building works HK\$'000	Total HK\$'000
Segment Revenue	<b>228,487</b>	<b>39,343</b>	<b>56,706</b>	<b>324,536</b>
Segment Cost	<b>193,344</b>	<b>37,739</b>	<b>46,695</b>	<b>277,778</b>
Segment Profit	<b>35,143</b>	<b>1,604</b>	<b>10,011</b>	<b>46,758</b>
Unallocated — other income and net gains				<b>3,184</b>
Unallocated expenses				<b>(24,439)</b>
Finance costs				<b>(352)</b>
Profit before taxation				<b>25,151</b>
Income tax expense				<b>(6,616)</b>
				<b>18,535</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 4. Turnover and Segmental Information (continued)

#### (a) Segment information (continued)

For the six months ended 30 September 2013 (Unaudited)

	Foundation works HK\$'000	Civil engineering works HK\$'000	General Building works HK\$'000	Total HK\$'000
Segment Revenue	37,977	21,676	142,087	201,740
Segment Cost	30,144	20,917	122,298	173,359
Segment Profit	7,833	759	19,789	28,381
Unallocated — other income and net gains				8,531
Unallocated expenses				(13,072)
Finance costs				(135)
Profit before taxation				23,705
Income tax expense				(5,163)
Profit for the period				18,542

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, finance costs, income tax expense, unallocated income and net gains, and expenses. This is measure reported to the CODM for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above is from external customers.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 5. Profit Before Taxation

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation is stated after charging the following items:		
Auditor's remuneration	550	250
Rental charge under operating lease	524	414
Depreciation of property, plant and equipment	3,009	2,283
Loss on disposal of property, plant and equipment	—	2,468
Staff costs (including directors' remuneration)		
— Salaries, wages and other benefits	4,333	3,252
— Mandatory provident fund contributions	145	228
	4,478	3,480

### 6. Finance Costs

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank overdrafts	16	5
Finance lease charges	336	130
	352	135

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 7. Income Tax Expense

	Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The tax charge comprises		
– Hong Kong profits tax	<b>4,974</b>	4,358
– Deferred taxation – current period	<b>1,642</b>	805
	<b>6,616</b>	5,163

The Company is tax exempt under the laws of the Cayman Islands. The subsidiaries operating in Hong Kong are subject to Hong Kong Profits Tax at a tax rate of 16.5% on the estimated assessable profit arising in Hong Kong.

### 8. Earnings Per Share – Basic

The calculation of the basic earnings per share is based on (i) the consolidated profit attributable to owners of the Company for the six months ended 30 September 2014 of approximately HK\$18,535,000 (2013: HK\$18,542,000); and (ii) weighted average number of shares in issue during the six months ended 30 September 2014 of 306,557,377 (2013: 300,000,000 shares in issue, being the number of shares in issue immediately after the completion of capitalisation issue throughout the Period).

The Group did not have any dilutive potential ordinary shares during the six months ended 30 September 2013 and 2014.

### 9. Dividend

During the Period, an interim dividend of HK3.7 cents per share (2013: Nil) was declared and paid to its then shareholders of the Company. The aggregate amount of the interim dividend declared and paid in the interim period amounted to HK\$15,000,000 (2013: Nil).

On 21 November 2014, the Board has resolved to declare payment of an interim dividend for the six months ended 30 September 2014 of HK2.5 cents per share (2013: Nil) to the shareholders of the Company whose names appear on the register of members on 11 December 2014.

### 10. Property, Plant and Equipment

During the Period, the Group acquired of property, plant and equipment amounting to approximately HK\$22,148,000 (for the six months ended 30th September 2013: HK\$10,825,000).



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 11. Trade and Other Receivables

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Contract receivables (note a)	<b>138,838</b>	38,015
Retention receivables	<b>34,255</b>	29,174
Total trade receivables	<b>173,093</b>	67,189
Other receivables, deposit and prepayments	<b>1,239</b>	1,895
	<b>174,332</b>	69,084

#### (a) Contract receivables

It represents progress billing receivables from the contract works. During the Period, credit period granted to the Group's customers is generally within 30 days from invoice date of the relevant contract receivables. Contract receivables are denominated in HK\$.

The ageing analysis of contract receivables based on invoice date is as follows:

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
0–30 days	<b>111,489</b>	18,815
31–60 days	<b>13,921</b>	19,200
61–90 days	<b>13,419</b>	—
Over 90 days	<b>9</b>	—
	<b>138,838</b>	38,015

- (b) Retention receivables were not past due as at 30 September 2013 and 2014. They are settled in accordance with the terms of respective contracts. Retention receivables are denominated in HK\$.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 12. Cash and Bank Balances and Pledged Bank Deposits

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Cash and bank balances	<b>83,346</b>	35,101
Pledged bank deposit (note)	<b>3,063</b>	3,056

Note: Pledged bank deposit represents a deposit pledged to bank to secure banking facilities granted to the Group as at 30 September 2014.

The carrying amounts of the cash and cash equivalents are denominated in Hong Kong dollars.

### 13. Share Capital

	Number of Ordinary shares	Nominal value HK\$
Ordinary shares of HK\$0.1 each Authorised:		
Upon incorporation (Note a)	<b>3,800,000</b>	<b>380,000</b>
Increase during the period (Note c)	<b>1,996,200,000</b>	<b>199,620,000</b>
As at 30 September 2014	<b>2,000,000,000</b>	<b>200,000,000</b>
Issued and fully paid:		
Upon incorporation (Note a)	<b>1</b>	<b>0.1</b>
Issue of shares on reorganisation (Note b)	<b>9,999</b>	<b>999.9</b>
Issue of shares upon:		
Capitalisation issue (Note d)	<b>299,990,000</b>	<b>29,999,000</b>
Placing of shares (Note e)	<b>100,000,000</b>	<b>10,000,000</b>
	<b>400,000,000</b>	<b>40,000,000</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 13. Share Capital (continued)

Note:

- (a) The Company was incorporated on 3 April 2014 in Cayman Islands with an authorised share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each, of which one share of HK\$0.10 was allotted and issued.
- (b) On 13 August 2014 pursuant to the Reorganisation of the Group for the Listing, the Company acquired the entire issued share capital of New Expansion Global Limited ("BVI 1") and New Expansion Holdings Limited ("BVI 2") and as consideration for which 2,299 shares and 7,700 shares respectively and which were allotted and issued to Prosper Power Group Limited (BVI Holdco), credited as fully paid. HK\$14,000,000 represents the aggregate amounts of issued share capital of New Concepts Foundation Limited ("NC Foundation") and New Concepts Engineering Development Limited ("NC Engineering") as at 31 March 2014
- (c) On 26 August 2014, the authorised share capital of the Company was increased from HK\$380,000 to HK\$200,000,000 by the creation of an additional 1,996,200,000 shares of HK\$0.1 each.
- (d) On 25 August 2014, conditional on the share premium account of the Company being credited by HK\$29,999,000 as a result of the issue of placing shares pursuant to the placing as mentioned and defined in (e) below, an aggregate of 299,990,000 Shares, by the way by capitalisation of the sum of HK\$29,990,000 standing to the credit of the share premium account of the Company, would be issued, allotted and credited as fully paid at par to the Shareholders as appearing on the register of members of the Company at close of business of 25 August 2014 (the "Capitalisation"). Upon the Capitalisation, the issued share capital of the Company would become HK\$30,000,000 divided into 300,000,000 share of HK\$0.1 each.
- (e) On 19 September 2014, 100,000,000 ordinary shares of HK\$0.1 each were issued by the way of placing at a price of HK\$0.86 per share (the "Placing Price") for a total cash consideration of HK\$86,000,000 before issuance cost. The excess of the Placing Price over the par value of the shares issued was credited to the share premium account of the Company.

### 14. Trade and Other Payables

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
Trade payables (note a)	106,570	27,441
Retention payables	31,428	23,061
Provision for long service payment	485	515
Provisions for annual leave	365	430
Accruals	5,827	6,110
	<b>144,675</b>	<b>57,557</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 14. Trade and Other Payables (continued)

Notes:

- (a) During the Period, settlement terms granted by suppliers are generally within 45 days from the invoice date of the relevant purchases.

At the end of each reporting period, the ageing analysis of the Group's trade payables based on invoice date is as follows:

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
0-30 days	93,913	11,954
31-60 days	11,277	11,602
61-90 days	281	355
Over 90 days	1,099	3,530
	<b>106,570</b>	27,441

### 15. Commitments

#### (a) Operating lease commitments – Group as lessee

During the Period, the Group leased certain of its offices under non-cancellable operating lease agreements. The lease terms are negotiated for an average term of 4 years and rental are fixed over the lease terms and do not include contingent rentals.

As at 30 September 2014, the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)
No later than 1 year	1,049	828
Later than 1 year and no later than 5 years	1,366	1,380
	<b>2,415</b>	2,208

#### (b) Capital commitments

At 30 September 2013 and 2014, the Group did not have any capital commitment.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 16. Related Party Transactions

#### (a) Amount due from a director

	30 September 2014 HK\$'000 (Unaudited)	31 March 2014 HK\$'000 (Audited)	Maximum amount outstanding during the period
<b>Director</b>			
Chu Shu Cheong	<b>18,310</b>	18,310	18,310

The amount due is unsecured, interest-free and repayable on demand.

#### (b) Loan due from a director

The amount due are unsecured, interest-free and no fixed repayment terms.

#### (c) Related parties transaction

Name of related party	Nature of transaction	Six months ended 30 September	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
<b>Related companies</b>			
K.S. So & Associates Limited	Consultancy fee paid	—	270
New Concept Construction Limited	Machine rental income	—	6,536

## **17. Contingent Liabilities**

### **(a) Performance bond**

Performance bond has been issued by a bank as the Group has a major construction contract with a customer and the bond is for the performance guarantee for the provision of works for such project. At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Group.

As at 30 September 2014, the amount of outstanding performance bond was approximately HK\$3 million.

### **(b) Litigation**

During the Period, the Group was or is involved in a number of material claims, litigations and pending or threatened claims of material importance against the Group.

The following claims are related to (i) employees' compensation claims and personal injuries claims; and (ii) charges arising out of the Group's ordinary and usual course of business, and which are not related to any contractual or related disputes with the customers of the Group. As at 30 September 2014, save as disclosed under item (l) below, there was no pending or threatened claim or charge against the Group. Set out below are the details of the outstanding claims and litigations against the Group as at 30 September 2014, and the material claims and litigations against the Group settled (whether by way of court judgment or settlement) during the period:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2014

### 17. Contingent Liabilities (continued)

#### (b) Litigation (continued)

(i) Outstanding claims and charges against the Group as at 30th September 2014

No.	Nature of incident/claim/charge	Date of incident/breach	Capacity of plaintiff(s)/ applicant(s)/ complainant	Name(s) of defendant(s)/ respondent(s)	Amount/estimated quantum of damages claimed	Insurance coverage	Status
1.	(i) Employees' compensation claim (Action no. DCEC1006/2013)	17 June 2011	Employee of the 1st respondent at the time of accident	NC Engineering as the 2nd respondent; a subcontractor of NC Engineering as the 1st respondent	Approximately HK\$2.59 million plus interest	100%	(i) The applicant will be reassessed by the Medical Assessment Board. Further action pending to the re-assessment result
	(ii) Personal injuries claim (Action no. HCPI 509/2014)						(ii) Writ of summons was issued on 4 June 2014 and the checklist review has taken place on 21 November 2014
	A claim for damages for personal injuries sustained by the plaintiff (a construction worker) while he was in the course of employment with the 1st respondent, a subcontractor of NC Engineering, at the construction site at Tai Po Road, New Territories						

In connection with these claims, the plaintiff was a then employee of the 1st respondent (but not the Group) and it is the Directors' understanding that his claims are covered by insurance in full. As such, the Directors consider that no provision is necessary to be made.

2.	Case no. KCS12179/2014 – failure to comply with Regulations 38B(1), 68(1)(a) and 68(2)(g) of the Construction Sites (Safety) Regulations under the FIU Ordinance for failing to take adequate steps to prevent a person from falling from a height of 2 metres or more on the construction site at Un Chau Street, Kowloon	15 October 2013	Labour Department	NC Engineering	If NC Engineering is found liable, (i) where the offence was committed without reasonable excuse, the maximum penalty will be a fine of \$200,000 and imprisonment (or its directors) for 12 months; or (ii) a fine of \$200,000 in any other case	Not available	NC Engineering pleaded not guilty to the charge in the mention hearing on 16 June 2014. The pre-trial review was held on 7 July 2014 and the trial took place on 14 and 15 October 2014. Verdict was handed down on 4th November 2014  A penalty amounted to HK\$16,500 was settled on 7th November 2014 and the Company filed a notice of appeal on 17th November 2014
----	--	-----------------	-------------------	----------------	--	---------------	---

In connection with this case no.2, the Directors consider that NC Engineering has reasonable grounds of defence, because in the course of carrying out the relevant project, the Group has taken out all reasonable steps to ensure safety on site. As advised by the legal adviser to NC Engineering in relation to this case, NC Engineering has a reasonable good chance to defend the case and even it is convicted, the fine would be no more than HK\$50,000. In view of such amount of possible fine, the Directors consider that no provision is necessary to be made. Legal Counsel also opined that the risk of any of NC Engineering's directors being sentenced to imprisonment would be low.