



# NGA CHUN

HOLDINGS COMPANY LIMITED

雅駿控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1462

### REGISTERED OFFICE

Clifton House, 75 Fort Street  
Grand Cayman, KY1-1108,  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 10/F., Summit Building  
30 Man Yue Street, Hung Hom  
Kowloon, Hong Kong

### EXECUTIVE DIRECTORS

Mr. Fung Chi Wing (*Chairman*)  
Ms. Fung Mei Lan  
Ir Wong Chi Wai (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Ir Ho Pun Hing  
Ir Szeto Ka Sing  
Dr. Leung Shiu Ki Albert

### AUDIT COMMITTEE

Dr. Leung Shiu Ki Albert (*Chairman*)  
Ir Ho Pun Hing  
Ir Szeto Ka Sing

### REMUNERATION COMMITTEE

Ir Ho Pun Hing (*Chairman*)  
Dr. Leung Shiu Ki Albert  
Ir Wong Chi Wai

### NOMINATION COMMITTEE

Mr. Fung Chi Wing (*Chairman*)  
Dr. Leung Shiu Ki Albert  
Ir Ho Pun Hing

### AUTHORISED REPRESENTATIVES

Mr. Fung Chi Wing  
Mr. Kung Hei Ning, *CPA*

### COMPANY SECRETARY

Mr. Kung Hei Ning, *CPA*

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street, PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### AUDITORS

Ernst & Young

### LEGAL ADVISOR

*As to Hong Kong Law:*  
Howse Williams Bowers

### COMPLIANCE ADVISOR

Ample Capital Limited

### SHARE INFORMATION

Place of listing : Main Board of The  
Stock Exchange of  
Hong Kong Limited  
Stock code : 1462  
Board lot size : 4,000 shares

### WEBSITE

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

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Six months ended 30 September 2015

The board (the “Board”) of Directors (the “Directors”) of Nga Chun Holdings Company Limited (the “Company”) is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2015 (the “Period”) together with comparative figures for the corresponding period in the previous year as follows:

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

Six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015 HK\$'000	2014 HK\$'000
<b>REVENUE</b>	6	<b>291,476</b>	312,978
Contract costs		(265,107)	(283,783)
Gross profit		<b>26,369</b>	29,195
Other income and gains	6	<b>1,351</b>	262
Administrative expenses		<b>(8,628)</b>	(14,008)
Finance costs	7	<b>(407)</b>	(646)
Other expenses, net		<b>(2,582)</b>	—
<b>Profit before tax</b>	8	<b>16,103</b>	14,803
Income tax expense	9	<b>(3,192)</b>	(3,957)
<b>Profit and total comprehensive income for the period</b>		<b>12,911</b>	10,846
Profit and total comprehensive income attributable to equity holders of the parent		<b>12,911</b>	10,846
<b>Earnings per share attributable to equity holders of the parent</b>			
Basic and diluted	11	<b>HK\$3.2 cents</b>	HK\$3.6 cents

Details of dividend are disclosed in note 10 to the condensed consolidated interim financial information.

# Condensed Consolidated Statement of Financial Position

30 September 2015

	Notes	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	75,397	67,221
Pledged deposit for a life insurance product		6,213	6,133
Total non-current assets		81,610	73,354
<b>CURRENT ASSETS</b>			
Gross amount due from customers for contract works		55,968	61,703
Accounts receivable	13	50,554	63,633
Financial assets at fair value through profit or loss		8,507	—
Prepayments, deposits and other receivables		4,253	2,220
Tax recoverable		1,168	789
Time deposits with maturity of more than three months		—	14,945
Cash and cash equivalents		170,063	156,755
Total current assets		290,513	300,045
<b>CURRENT LIABILITIES</b>			
Accounts payable	14	16,836	26,103
Accruals of costs for contract works		61,114	60,187
Other payables and accruals		3,823	4,245
Interest-bearing bank loans	15	30,600	36,066
Dividend payable	10	12,000	—
Total current liabilities		124,373	126,601

## Condensed Consolidated Statement of Financial Position (Continued)

30 September 2015

	Note	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
<b>NET CURRENT ASSETS</b>		<b>166,140</b>	173,444
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>247,750</b>	246,798
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		97	56
<b>Nets assets</b>		<b>247,653</b>	246,742
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	16	4,000	4,000
Reserves		243,653	242,742
<b>Total equity</b>		<b>247,653</b>	246,742

# Condensed Consolidated Statement of Changes in Equity

Six months ended 30 September 2015

	Unaudited				
	Attributable to equity holders of the parent				
	Issued capital	Share premium	Capital reserve	Retained profits	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2014	—	—	4,800	134,705	139,505
Profit and total comprehensive income for the period	—	—	—	10,846	10,846
Interim dividend	—	—	—	(36,000)	(36,000)
Issue of shares pursuant to the Reorganisation (note 16)	10	114,341	(114,351)	—	—
At 30 September 2014	10	114,341	(109,551)	109,551	114,351
At 1 April 2015	<b>4,000</b>	<b>215,061</b>	<b>(109,551)</b>	<b>137,232</b>	<b>246,742</b>
Profit and total comprehensive income for the Period	—	—	—	<b>12,911</b>	<b>12,911</b>
Final 2015 dividend (note 10)	—	<b>(12,000)</b>	—	—	<b>(12,000)</b>
At 30 September 2015	<b>4,000</b>	<b>203,061*</b>	<b>(109,551)*</b>	<b>150,143*</b>	<b>247,653</b>

\* These reserve accounts comprise the consolidated reserves of HK\$243,653,000 (31 March 2015: HK\$242,742,000) in the condensed consolidated statement of financial position.

## Condensed Consolidated Statement of Cash Flows

Six months ended 30 September 2015

	Unaudited	
	Six months ended	
	2015	2014
	HK\$'000	HK\$'000
CASH GENERATED FROM OPERATIONS		
Cash generated from operating activities	27,037	17,002
Interest received	601	1
Interest paid	(407)	(646)
Hong Kong profits tax paid	(3,529)	(2,289)
Net cash flows from operating activities	23,702	14,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of items of property, plant and equipment	(9,920)	(379)
Proceeds from disposal of items of property, plant and equipment	48	—
Prepayments made for acquisition of property, plant and equipment	—	(4,363)
Decrease in time deposits with maturity of more than three months	14,945	—
Purchases of financial assets at fair value through profit or loss	(10,000)	—
Net cash flows used in investing activities	(4,927)	(4,742)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of interest-bearing bank loans	(5,467)	(11,966)
Net cash flows used in financing activities	(5,467)	(11,966)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,308	(2,640)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	156,755	96,491
CASH AND CASH EQUIVALENTS AT END OF PERIOD	170,063	93,851
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	170,063	93,851

## 1. CORPORATE INFORMATION

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" to the prospectus of the Company dated 30 September 2014 (the "Prospectus").

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Team Great Limited ("Team Great"), which is incorporated in the British Virgin Islands ("BVI").

## 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements set out in Appendix 16 of Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



## 2. BASIS OF PREPARATION *(continued)*

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 annual financial statements for the year ended 31 March 2015 except in relation to the following accounting policies of financial assets at fair value through profit or loss that affect the Company and the Group and has been adopted for the first time for the Period's financial information.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

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

Amendments to HKAS 19	<i>Defined Benefit Plans: Employee Contributions</i>
<i>Annual improvements 2010–2012 Cycle</i>	Amendments to a number of HKFRSs
<i>Annual improvements 2011–2013 Cycle</i>	Amendments to a number of HKFRSs

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. ESTIMATES

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Group’s consolidated financial statements for the year ended 31 March 2015.

## 5. 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 2015 and 2014, and the non-current assets of the Group were located in Hong Kong as at 30 September 2015 and 31 March 2015.

## 6. REVENUE, OTHER INCOME AND GAINS

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

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Contract revenue	<b>291,476</b>	312,978
<b>Other income and gains</b>		
Interest income	<b>933</b>	117
Gross rental income	<b>8</b>	120
Gain on disposal of items of property, plant and equipment	<b>48</b>	—
Management fee income	<b>355</b>	25
Sundry income	<b>7</b>	—
	<b>1,351</b>	262

**7. FINANCE COSTS**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Interest on bank loans wholly repayable within five years	<b>407</b>	646

**8. PROFIT BEFORE TAX**

Profit before tax is arrived at after charging:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Depreciation	<b>1,745</b>	1,486
Employee benefit expenses (exclusive of directors' remuneration)	<b>17,374</b>	16,541
Directors' remuneration	<b>5,544</b>	5,137
Exchange loss, net*	<b>1,089</b>	—
Fair value losses on financial assets at fair value through profit or loss*	<b>1,493</b>	—

\* Included in "other expenses, net" in the consolidated statement of profit or loss and other comprehensive income

## 9. INCOME TAX

Hong Kong profit tax has been provided at the rate of 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits arising in Hong Kong for the Period.

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current — Hong Kong charge for the period	<b>3,151</b>	3,849
Deferred	<b>41</b>	108
<b>Total tax charge for the period</b>	<b>3,192</b>	3,957

## 10. DIVIDEND

A final dividend of HK\$3 cents per ordinary share amounting to HK\$12,000,000 for the year ended 31 March 2015 was paid on 16 October 2015 by the Company.

The Board does not recommend the payment of any dividend for the six months ended 30 September 2015 (Six months ended 30 September 2014: Nil).

## **11. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT**

The calculation of the basic earnings per share for the Period is based on the consolidated profit attributable to owners of the Company and the weighted average number of 400,000,000 ordinary shares in issue during the Period.

The number of ordinary shares used to calculate the basic earnings per share for the six months ended 30 September 2014 was based on 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 16 to the condensed consolidated interim financial information, have been in issue throughout the six months ended 30 September 2014.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2015 and 2014 as the Company had no potentially dilutive ordinary share in issue during those periods.

## **12. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 September 2015, the Group incurred approximately HK\$9,920,000 (six months ended 30 September 2014: approximately HK\$379,000) on the additions of items of property, plant and equipment.

**13. ACCOUNTS RECEIVABLE**

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <b>HK\$'000</b>	Audited 31 March 2015 HK\$'000
Due from third parties	<b>19,335</b>	39,693
Due from related parties	<b>31,219</b>	23,940
	<b>50,554</b>	63,633

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 2015, retentions receivable (including those classified under amounts due from related parties) included in accounts receivable amounted to HK\$15,248,000 (31 March 2015: HK\$15,932,000), 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.

**13. ACCOUNTS RECEIVABLE** (continued)

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

	<b>Unaudited 30 September 2015 HK\$'000</b>	Audited 31 March 2015 HK\$'000
Past due but not impaired:		
One to three months past due	<b>1,005</b>	1,038
Four to six months past due	<b>—</b>	—
Over six months past due	<b>3,194</b>	2,187
	<b>4,199</b>	3,225
Neither past due nor not impaired:	<b>46,355</b>	60,408
	<b>50,554</b>	63,633

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.



**14. ACCOUNTS PAYABLE**

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

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <b>HK\$'000</b>	Audited 31 March 2015 HK\$'000
Current to 3 months	<b>16,836</b>	26,103
	<b>16,836</b>	26,103

At 30 September 2015, retentions payable included in accounts payable amounted to HK\$8,970,000 (31 March 2015: HK\$9,374,000) 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.

**15. INTEREST-BEARING BANK LOANS**

Interest-bearing bank loans of the Group are repayable on demand and are analysed as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <b>HK\$'000</b>	Audited 31 March 2015 HK\$'000
Interest-bearing bank loans — repayable on demand, secured and at a floating interest rate	<b>30,600</b>	36,066

The Group's bank loans are denominated in Hong Kong dollars. In the opinion of the Directors, the carrying amounts of the Group's bank loans approximate to their fair values.

**16. ISSUED CAPITAL****Shares**

	<b>Unaudited 30 September 2015 HK\$'000</b>	Audited 31 March 2015 HK\$'000
Authorised:		
1,000,000,000 ordinary shares of HK\$0.01 each	<b>10,000</b>	10,000
Issued and fully paid:		
400,000,000 ordinary shares of HK\$0.01 each	<b>4,000</b>	4,000

The movements in the Company's share capital were as follows:

	Notes	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value of ordinary shares HK\$'000</b>
Authorised:			
At 21 May 2014 (date of incorporation)	(a)	37,000,000	370
Increase in authorised share capital on 22 September 2014	(b)	963,000,000	9,630
At 30 September 2014, 31 March 2015, 1 April 2015 and 30 September 2015		1,000,000,000	10,000

## 16. ISSUED CAPITAL (continued)

	Notes	Unaudited Number of shares in issue	Issued capital HK\$'000
Issued and fully paid:			
As at 21 May 2014 (date of incorporation)	(a)	1	—
Issue of shares pursuant to the Reorganisation	(b)	999,999	10
As at 30 September 2014		1,000,000	10
Capitalisation Issue	(c)	299,000,000	2,990
Issue of new shares pursuant to the Share Offer	(d)	100,000,000	1,000
At 31 March 2015, 1 April 2015 and 30 September 2015		400,000,000	4,000

Notes:

- (a) Upon incorporation on 21 May 2014, the authorised share capital of Company was HK\$370,000 divided into 37,000,000 shares of HK\$0.01 each. On the date of incorporation, 1 ordinary share of HK\$0.01 was allotted and issued nil paid by the Company to the initial subscriber, Reid Services Limited, which was transferred to Team Great on 13 June 2014.

## 16. ISSUED CAPITAL (continued)

Notes: (continued)

- (b) On 22 September 2014, an ordinary resolution of the sole shareholder of the Company was passed and pursuant to which:
  - (i) the authorised share capital of the Company was increased from HK\$370,000 to HK\$10,000,000 by the creation of 963,000,000 additional shares of HK\$0.01 each, ranking pari passu in all respects with existing shares of the Company; and
  - (ii) Team Great transferred all the shares it held in Fungs E & M Engineering Company Limited (“Fungs E & M”) to Master Grand Investment Company Limited, 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.
- (c) Pursuant to the special resolution 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 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”).
- (d) In connection with the listing of the Company on the Main Board of the Stock Exchange, 100,000,000 new ordinary shares of HK\$0.01 each were issued at a price of HK\$1.1 per share for a total cash consideration, before expenses, of HK\$110,000,000 (the “Share Offer”). Dealings in the shares of the Company on the Stock Exchange commenced on 16 October 2014.

## 17. RELATED PARTY TRANSACTIONS

During the Period, the Directors are of the view that related parties of the Group include the following companies:

Name of related party	Relationship with the Group
YWH Limited ("YWH")	An entity controlled by a director of the Company
Able E & M Engineering Company Limited ("Able E & M")	An entity jointly-controlled by a director of the Company and a substantial shareholder of the Company
Able Engineering Company Limited ("Able Engineering")	An entity controlled by a substantial shareholder of the Company
Able Contracting Limited ("Able Contracting")	An entity controlled by a substantial shareholder of the Company
Able Contractors Limited ("Able Contractors")	An entity controlled by a substantial shareholder of the Company
Excel Engineering Company Limited ("Excel")*	An entity controlled by a substantial shareholder of the Company
Lanon Development Limited ("Lanon Development")	An entity controlled by a family member of a substantial shareholder of the Company
Lanon Building Limited ("Lanon Building")	An entity controlled by a family member of a substantial shareholder of the Company

- \* This entity was not a related party of the Group since 5 June 2015. As a result, only the contract revenue recognised before 5 June 2015 constituted related party transactions of the Group.

**17. RELATED PARTY TRANSACTIONS** (continued)

- (a) During the Period, the Group had transactions with the following related parties:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Contract revenue from related parties:		
Able E & M	<b>3,937</b>	9,145
Able Engineering	<b>15,750</b>	35,711
Able Contracting	<b>18,674</b>	11,593
Able Contractors	<b>1,768</b>	1,362
Excel	—	1,041
Lanon Development	<b>4,773</b>	8,514
Lanon Building	<b>46,210</b>	32,635
Rental expenses to YWH	<b>120</b>	—
Purchase of items of property, plant and equipment from YWH	<b>8,000</b>	—
Unlimited personal guarantee in respect of the Group's banking facilities provided by Mr. Fung Chi Wing ("Mr. Fung")	—	71,167

The transactions were conducted on terms and conditions mutually agreed between the relevant parties.

**17. RELATED PARTY TRANSACTIONS** (continued)

## (b) Outstanding balances with related parties

Other than balances with related parties disclosed elsewhere in the condensed consolidated interim financial information, the Group had no outstanding balances with related parties as at the end of each reporting period.

## (c) Compensation of key management personnel of the Group:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Short term employee benefits	<b>5,973</b>	5,111
Pension scheme contributions	<b>36</b>	26
Total compensation paid to key management personnel	<b>6,009</b>	5,137

**18. 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.

**19. CAPITAL COMMITMENTS**

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 March
	<b>2015</b>	2015
	<b>HK\$'000</b>	HK\$'000
Contracted, but not provided for in respect of:		
Acquisition of items of property, plant and equipment	<b>3,337</b>	—

**20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

The fair value of the non-current portion of the pledged deposit for a life insurance product is categorised within Level 3 of the fair value hierarchy and has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar credit risk and remaining maturities.

Management has assessed that the fair values of the current portion of deposits, accounts receivable, other receivables, amounts due from related parties, cash and cash equivalents, accounts payable, accruals of costs for contract works, other payables, dividend payable and interest-bearing bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of financial assets at fair value through profit or loss have been estimated using significant observable inputs including the market price of a listed security.



## 20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy

The following table illustrated the fair value measurement hierarchy of the Group's financial assets at fair value through profit or loss:

### Assets measured at fair value:

As at 30 September 2015 (Unaudited)

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at fair value through profit or loss	—	8,507	—	8,507

The Group did not have any financial assets measured at fair value as at 31 March 2015.

The Group did not have any financial liabilities measured at fair value as at 30 September 2015 (31 March 2015: Nil).

During the Period, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities.

## 21. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 26 November 2015.

## 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 undertakes 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 2015, the Group had over 60 one-off projects and retainer projects in progress, with a total estimated outstanding contract sum and work order value of approximately HK\$1,513.6 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 2015, and up to the date of this report, the Group was awarded with new contracts with an aggregate estimated contract sum of approximately HK\$711.3 million.

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the six months ended 30 September 2015 was approximately HK\$291.5 million representing a decrease of approximately 6.9% from approximately HK\$313.0 million for the same period of the last financial year. This decrease was mainly due to the combined effect of lower revenue of HK\$7.9 million for two one-off projects in the public sector in Chai Wan and Central which were substantially completed in the year ended 31 March 2015 while approximately HK\$30.1 million was recognised as revenue for the same period of the last financial year.

### Gross profit margin

The gross profit margin remained steady with a slight decrease from approximately 9.3% for the six months period ended 30 September 2014 to approximately 9.1% for the six months ended 30 September 2015.

### **Other income and gains**

The Group's other income and gains were approximately HK\$1,351,000 and HK\$262,000 for the six months ended 30 September in 2015 and 2014 respectively. The increase was mainly attributable to the increase in interest income from bank deposits.

### **Administrative expenses**

The Group's administrative expenses for the six months ended 30 September 2015 was approximately HK\$8.6 million, representing a decrease of 38.4% from approximately HK\$14.0 million for the same period of the last financial year. This was mainly attributable to the recognition of listing expenses 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 2015, the Group recorded net profit of approximately HK\$12.9 million, an increase of approximately 19.0% as compared to the net profit of approximately HK\$10.8 million for the corresponding period in the last financial year. This was mainly due to the combined effect of the decrease in administrative expenses and the decrease in gross profit.

### **Liquidity and Financial Resources**

As of 30 September 2015, the Group had cash and cash equivalents of approximately HK\$170.1 million, representing an increase of 8.5% from approximately HK\$156.8 million as of 31 March 2015. The Group did not have pledged deposits other than a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.2 million and HK\$6.2 million as at 30 September 2015 and 31 March 2015, respectively. The increase in cash and cash equivalents during the Period was mainly due to the combined effects of (i) net cash inflow from operating activities of approximately HK\$23.7 million; (ii) the payment of approximately HK\$9.9 million in relation to the purchases of items of property, plant and equipment; (iii) decrease in a time deposit with original maturity of more than three months of approximately HK\$14.9 million; (iv) the payment of approximately HK\$10.0 million in relation to the purchases of financial assets at fair value through profit or loss; and (v) the repayment of interest-bearing bank loans of approximately HK\$5.5 million.

The total interest-bearing bank borrowings of the Group decreased from approximately HK\$36.1 million as at 31 March 2015 to approximately HK\$30.6 million as at 30 September 2015. 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 2015, the total banking facilities of the Group amounted to approximately HK\$102.8 million (31 March 2015: approximately HK\$61.4 million).

Gearing ratio is calculated based on the amount of total interest-bearing bank borrowings divided by the total equity. Decrease in gearing ratio from 14.6% as at 31 March 2015 to 12.4% as at 30 September 2015 was mainly due to the repayment of interest-bearing bank borrowings during the Period.

As at 30 September 2015, the Group had aggregate banking facilities of approximately HK\$72.2 million which was not utilised. As at 30 September 2015, the banking facilities were secured by (i) unlimited corporate guarantee provided by the Company; (ii) legal charge over a building of the Group with carrying amount of approximately HK\$48.2 million; and (iii) a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.2 million.

### **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.

### PROSPECTS

According to the Hong Kong 2015–16 Budget, the Hong Kong Government will allocate approximately HK\$76.1 billion to infrastructure. In addition, the new Long Term Housing Strategy issued in December 2014 has adopted a total housing supply target of 480,000 units for the next decade by providing Home Ownership Scheme flats, public rental housings and securing land supply in order to cater for the mass housing market.

Moreover, 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, indoor air quality and sustainability have triggered contractors in the Building Services industry to construct better heating, ventilation and air-conditioning systems. Therefore, the design and installation work processes for the servicing of intelligent buildings are more complicated.

In view of the aforesaid increasing public expenditure on infrastructure, the Hong Kong Government housing strategy and market development, the Directors believe that there will be more opportunities for our Building Services business in both private and public sectors in the future. Having considered the Group's solid experience in the Building Services industry, possession of the requisite licences and registrations for undertaking engineering projects in both private and public sectors, 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 Period.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During the Period, there was no acquisition or disposal of subsidiaries and associated companies by the Company.

## **SIGNIFICANT INVESTMENTS**

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

## **STAFF AND REMUNERATION POLICY**

As of 30 September 2015, the Group employed 91 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 Period was approximately HK\$22.9 million (six months ended 30 September 2014: approximately HK\$21.7 million).

### SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 22 September 2014 (the “Scheme”), the Company may grant options to directors (including executive directors, non-executive directors and independent non-executive directors) and full-time employees of any member of the Group and any advisers, consultants, contractors, sub-contractors, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to subscribe for shares in the Company with the payment of HK\$1.00 upon each option granted and the options granted must be accepted within 14 days from the date of offer.

The subscription price of a share shall be at least the higher of (i) the closing price of the Company’s shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the option (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares of the Company on the date of grant of the option. The share options granted are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the provisions of early termination contained in the Scheme. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the number of shares of the Company in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes must not, in aggregate, exceed 10% of the number of shares of the Company in issue on the date the shares of the Company commence trading on the Stock Exchange. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12 months period up to the date of grant shall not exceed 1% of the shares of the Company then in issue.

The Scheme took effect on 22 September 2014 and no share option have been granted, exercised, cancelled or lapsed since then. Accordingly, as at 30 September 2015, there was no outstanding share option under the Scheme.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 September 2015, the interests and short positions of the Directors and chief executives in shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would be required to be recorded in the register required to be kept under Section 352 of the SFO; or which would otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

### Long position in shares of the Company/associated corporation

Director	Name of corporation	Capacity and Nature of interests	Number of ordinary shares held	% of issued share capital
Mr. Fung	The Company	Interest in a controlled corporation	300,000,000 (Note)	75%
Mr. Fung	Team Great	Beneficial owner	50 shares of US\$1.00 each	50%
Ms. Fung Mei Lan	The Company	Personal	468,000	0.12%

Note: These shares are legally and beneficially owned by Team Great, 50% of the issued share capital of which is legally and beneficially owned by Mr. Fung.

Save as disclosed above, as at 30 September 2015, none of the Directors or chief executive of the Company or any of their spouses or children under eighteen years of age had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 Model Code, to be notified to the Company and the Stock Exchange.



**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES**

As at 30 September 2015, the interests and short positions of the person (other than the Directors or chief executive of the Company) or company in the shares or underlying shares of the Company which would be required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

**Long position in shares of the Company**

<b>Name of shareholders</b>	<b>Notes</b>	<b>Capacity and Nature of interests</b>	<b>Number of ordinary shares held</b>	<b>% of issued share capital of the Company</b>
Team Great		Beneficial owner	300,000,000	75%
Globetrade Limited	1	Interest in a controlled corporation	300,000,000	75%
Profit Chain Investments Limited ("Profit Chain")	2	Interest in a controlled corporation	300,000,000	75%
Vantage International (Holdings) Limited ("Vantage")	3, 4 and 5	Interest in a controlled corporation	300,000,000	75%
Winhale Ltd.	3	Interest in a controlled corporation	300,000,000	75%
Braveway Limited	4	Interest in a controlled corporation	300,000,000	75%
HSBC International Trustee Limited	4	Interest in a controlled corporation	300,000,000	75%
Mr. Ngai Chun Hung ("Mr. Ngai")	5	Interest in a controlled corporation	300,000,000	75%
Spouse of Mr. Fung	6	Interest of spouse	300,000,000	75%
Spouse of Mr. Ngai	7	Interest of spouse	300,000,000	75%

Notes:

1. Team Great is owned as to 50% by Mr. Fung, 40% by Globetrade Limited and 10% by Mr. Fung Chuen. Both Mr. Fung and Globetrade Limited are deemed to be interested in 300,000,000 shares of the Company owned by Team Great by virtue of the SFO.
2. Globetrade Limited is wholly-owned by Profit Chain which is in turn wholly-owned by Vantage. Profit Chain and Vantage are deemed to be interested in 300,000,000 shares of the Company owned by Team Great which is owned as to 40% by Globetrade Limited by virtue of the SFO.

3. Winhale Ltd. is ultimately beneficially owned by the Xyston Trust, a discretionary family trust settled by Mr. Ngai for the benefit of himself and his family members. Winhale Ltd. is deemed to be interested in 300,000,000 shares of the Company held by Team Great under the SFO by virtue of its interest in 48.02% of the voting shares in Vantage. Team Great is owned as to 40% by Globetrade Limited which is in turn wholly-owned by Profit Chain which is in turn wholly-owned by Vantage.
4. Braveway Limited and HSBC International Trustee Limited are deemed to be interested in the shares of Vantage held by Winhale Ltd. by virtue of the fact that Winhale Ltd. is wholly-owned by the trust of which Braveway Limited is the trustee. This trust is in turn 99.99% owned by Xyston Trust which HSBC International Trustee Limited is the trustee. Braveway Limited and HSBC International Trustee Limited are deemed to be interested in 300,000,000 shares of the Company held by Team Great under the SFO by virtue of their interest in 48.02% of the voting shares in Vantage. Team Great is owned as to 40% by Globetrade Limited which is in turn wholly-owned by Profit Chain which is in turn wholly-owned by Vantage.
5. Mr. Ngai, is interested in 1,080,011,200 shares of Vantage, which comprise 6,250,800 shares held by himself, the deemed interest in 838,760,400 shares held by Winhale Ltd. and 235,000,000 shares held by Fame Yield International Limited by virtue of his interest in the entire issued share capital of Fame Yield International Limited and he was the settlor and a beneficiary of the Xyston Trust. Mr. Ngai is deemed to be interested in 300,000,000 shares of the Company held by Team Great under the SFO by virtue of his interest in approximately 61.83% of the voting shares in Vantage. Team Great is owned as to 40% by Globetrade Limited which is wholly-owned by Profit Chain which is in turn wholly-owned by Vantage.
6. Ms. Lee Yuk Hing is the spouse of Mr. Fung and is deemed to be interested in 300,000,000 shares of the Company owned by Team Great which is owned as to 50% by Mr. Fung by virtue of the SFO.
7. Ms. Cheng Wai Chun is the spouse of Mr. Ngai and is deemed to be interested in the 300,000,000 shares of the Company owned by Team Great because of Mr. Ngai's deemed interest in the same shares of the Company by virtue of the SFO.

Save as disclosed above, as at 30 September 2015, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests in Shares" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting principles. Further details are set out in note 17 to the condensed consolidated financial information.

### Continuing Connected Transactions

Details of the transactions are set out as follows:

Connected persons	Notes	Duration of agreement	Nature and purpose of transactions
Able Engineering, Able Contracting, Able Contractors and Excel	1	Three years from the Listing Date	To govern the existing and future contracting arrangement between Fungs E & M and certain subsidiaries of Vantage
Able E & M	2	Two years from the Listing Date	To govern the existing and future contracting arrangement between Fungs E & M and Able E & M
Lanon Development and Lanon Building	3	Three years from the Listing Date	To govern the existing and future contracting arrangement between Fungs E & M and Lanon Development and Lanon Building

Notes:

1. Able Engineering, Able Contracting and Able Contractors are subsidiaries of Vantage, one of the controlling shareholders of the Company. Excel ceased to be a subsidiary of vantage since 5 June 2015.
2. Each of Mr. Fung and Vantage (both are controlling shareholders of the Company) is beneficially indirectly interested in 50% of the shareholdings in Able E & M.
3. Lanon Development and Lanon Building are beneficially held as to 78% by Mr. Ngai Wing Yin through his indirect interest in Lanon Holdings Limited. Mr. Ngai Wing Yin is the son of Mr. Ngai, the latter being a controlling shareholder of Vantage, one of the controlling shareholders of the Company.

As referred to in the section headed “Connected Transactions” in the Company’s prospectus dated 30 September 2014, the Stock Exchange has granted a waiver from strict compliance with the announcement, circular and shareholders’ approval requirements as stipulated in Chapter 14A of the Listing Rules in connection with these continuing connected transactions to subject to certain conditions.

## **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 during the period under review.

## **CORPORATE GOVERNANCE**

None of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the six months ended 30 September 2015, fully complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the deviation from the Code Provisions A.6.7.

*Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.*

The whole Board of Directors and auditors of the Company have attended the annual general meeting of the Company held on 18 September 2015 to ensure an effective communication with the shareholders except that Ir Ho Pun Hing (an Independent non-executive Director and the chairman of the Remuneration Committee of the Company) was unable to attend the meeting due to personal reason.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY**

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. 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 during the Period.

## USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The net proceeds from the share offering received by the Company, after deduction of underwriting commission and other expenses in relation to the share offering, amounted to approximately HK\$92.6 million. The Company does not intend to apply any of the proceeds raised from the listing of the Company for the purposes other than those disclosed in the Company's prospectus dated 30 September 2014.

## INTERIM DIVIDEND

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed minimum public float under the Listing Rules.

## REVIEWED BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely 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 2015, 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 of  
**Nga Chun Holdings Company Limited**  
**Fung Chi Wing**  
*Chairman*

Hong Kong, 26 November 2015