



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

2016 INTERIM REPORT



CONTENTS

Corporate Information	2
Management Discussion and Analysis	4
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	23
Unaudited Condensed Consolidated Statement of Financial Position	24
Unaudited Condensed Consolidated Statement of Changes in Equity	26
Unaudited Condensed Consolidated Statement of Cash Flows	27
Notes to the Unaudited Condensed Consolidated Financial Statements	28



CORPORATE INFORMATION



Executive Directors

Mr. Zhu Yongjun (*Chairman of the Board*)
(appointed as the Chairman of the Board and
an executive Director on 24 May 2016)

Mr. Kwan Man Hay

Ms. Qin Shulan (appointed on 24 May 2016)

Mr. Cai Jianwen

Mr. Chu Shu Cheong (resigned on 29 November 2016)

Mr. So Kin Shing (resigned on 24 May 2016)

Ms. Lai Mun Yee (resigned on 24 May 2016)

Non-executive Directors

Dr. Zhang Lihui (appointed on 8 September 2016)

Mr. Chu Kingston Chun Ho (appointed on 8 September 2016)

Mr. Lam Kwei Mo (resigned on 15 August 2016)

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*

Nomination Committee

Mr. Lo Chun Chiu, Adrian (*Chairman*)

Dr. Tong Ka Lok

Mr. Choy Wai Shek, Raymond, *MH, JP*

Mr. Zhu Yongjun (appointed on 24 May 2016)

Mr. Chu Shu Cheong (resigned on 24 May 2016)

Remuneration Committee

Mr. Choy Wai Shek, Raymond, *MH, JP* (*Chairman*)

Mr. Lo Chun Chiu, Adrian

Dr. Tong Ka Lok

Mr. Cai Jianwen (appointed on 24 May 2016)

Mr. Kwan Man Hay (resigned on 24 May 2016)

Company Secretary

Mr. Lee Tsi Fun Nicholas (appointed on 24 May 2016)

Mr. Chow Chi Keung (resigned on 24 May 2016)

Authorised representatives

Mr. Cai Jianwen (appointed on 24 May 2016)

Mr. Lee Tsi Fun Nicholas (appointed on 24 May 2016)

Mr. Kwan Man Hay (resigned on 24 May 2016)

Ms. Lai Mun Yee (resigned on 24 May 2016)

Registered Office

Clifton House, 75 Fort Street

P.O. Box 1350, Grand Cayman

KY1-1108

Cayman Islands

Headquarters, head office and Principal Place of Business in Hong Kong

11/F, 8 Queen's Road Central

Hong Kong

(change of principal place of business in Hong Kong
with effect from 29 June 2016)

Independent Auditor

Wellink CPA Limited

Certified Public Accountants

Rooms 803-4

Kin Wing Commercial Building

24-30 Kin Wing Street

Tuen Mun

New Territories

Hong Kong



Legal advisers

As to Hong Kong law
Loong & Yeung Solicitors
Room 1603, 16/F
China Building
29 Queen's Road Central
Central, Hong Kong

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

Principal Bankers

The Hong Kong and Shanghai
Banking Corporation Limited
1 Queen's Road Central
Hong Kong

China CITIC Bank International Limited
232 Des Voeux Road 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

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street
P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

(change of name from Appleby Trust (Cayman) Ltd. with
effect from 15 April 2016)

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

<http://www.primeworld-china.com>

MANAGEMENT DISCUSSION AND ANALYSIS



Unaudited Condensed Consolidated 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 interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2016 (the “Period”) together with the comparative figures for the corresponding period.

Financial Highlights

	For the six months ended 30 September		
	2016	2015	
	HK\$'000	HK\$'000	Change %
Consolidated revenue	472,596	595,477	(20.6)%
Gross profit	63,050	59,054	6.8%
Profit attributable to the equity holders of the Company	22,765	30,677	(25.8)%
Earnings per share	HK5.42 cents	HK7.67 cents	(29.3)%
Current ratio	1.25	1.27	(1.57)%

Management Discussion and Analysis

The Group is principally engaged in the business of construction works and environmental protection.

Market Overview

Despite the increasing uncertainties in the external and internal economic conditions, such as the interest rate hike in the United States and global economic slowdown, the economy of and the construction industry in Hong Kong maintained steady for the Period due to increasing government land supply, and ongoing public housing and construction works.

The environmental protection business in the PRC has been growing robustly due to the continuous food safety issue and nationwide political support on kitchen waste treatment industry, which provides a solid foundation for such growth of the business in the PRC.

In the “Plan for Establishing Facilities for the Innocuous Treatment of Municipal Solid Waste under the Thirteen Five-Year Plan (Draft)”, the National Development and Reform Commission & Ministry of Housing and Urban-Rural Development of the People’s Republic of China set the target of the garbage disposal rate of municipalities and provincial capitals at 100% by 2020; encouraged joint treatment of food waste & other organic biodegradable waste in order to achieve a processing capacity of 40,000 tons per day by the end of the thirteen Five-Year. Given the huge upside potential, a strong but steady growth in the industry is expected in the coming years.



Business Review

I Construction Business – Foundation Works, Civil Engineering and Building Works

For the Period, the Group recorded a revenue from construction business amounting to approximately HK\$472,596,000, representing a decrease of approximately 20.6% as compared with that of approximately HK\$595,477,000 recorded for the corresponding period of 2015. Gross profit for the Period was approximately HK\$63,050,000, representing an increase of approximately 6.8% as compared with the gross profit of approximately HK\$59,054,000 recorded for the corresponding period of 2015.

The decrease in revenue for the Period was mainly due to the decreases in the number of sizeable contracts and average contract sum of overall construction projects undertaken by the Group. However, the overall gross profit margin of construction business increased from approximately 9.9% for the six months ended 30 September 2015 to 13.3% for the Period. Such increase was due to the higher revenue from the matured projects and the positive contribution from building projects during the Period as compared to the gross loss of approximately HK\$4.65 million in the corresponding period of last year.

(i) New Projects Awarded

During the Period, the Group had secured 6 new contracts with an aggregate contract value of approximately HK\$222.57 million. The details of such new projects awarded are as follows:

	Name of project	Location	Sector	Main category of work
1.	So Kwun Wat Project	Lot No.541 at So Kwun Wat Road, Area 56, Tuen Mun, N.T.	Foundation & Civil Engineering	Construction of large diameter bored piles, socketed steel H-pile, pipe pile, king post, geotechnically instrumentation, drainage, ELS and pile cap works
2.	Pok Fu Lam Project	No.138 Pok Fu Lam Road, Hong Kong	Foundation & Civil Engineering	Construction of socketed steel H-pile, soldier pile, pipe pile, geotechnically instrumentation, drainage, ELS and pile cap works
3.	Tung Chung and Texaco Road Project	Tung Chung Area 27 & Texaco Road	Foundation	Construction of large diameter bored piles, mini-pile, pipe pile, king post, sheet pile, geotechnically instrumentation, ELS and pile cap works
4.	Sau Ming Road Project	Sau Ming Road, Sau Mau Ping, Kwun Tong	Foundation	Construction of mini-piles and associated works
5.	Pok Fu Lam Road bored piles project	Pok Fu Lam Road, Hong Kong, I.L. 5849 R.P.	Foundation	Construction of large diameter bored piles
6.	So Kwun Wat bored piles Project	So Kwun Wat, Tuen Mun, N.T.	Foundation	Construction of large diameter bored piles



(ii) *Projects in Progress*

As at 30 September 2016, the Group had 15 projects in progress with an aggregate contract value of approximately HK\$921.42 million. The details of such projects in progress are as follows:

	Name of project	Location	Sector	Main category of work
1.	Wan Chai APA Project	Hong Kong Academy for Performing Arts, 1 Gloucester Road, Wanchai, Hong Kong	Foundation	Construction of socketed H-piles, earthworks and underground drainage
2.	Tuen Mun Siu Sau Project	TMTL 435, Castle Peak Road – Tai Lam, Area 55, Siu Sau, Tuen Mun, New Territories	Foundation	Tree felling, design and built of site formation, ELS, pipe pile, socketed H piles, bored piles and pile caps
3.	United Christian Hospital Project	United Christian Hospital, 130 Hip Wo Street, Kwun Tong, Kowloon	Foundation	Construction of mini-piles and pipe pile walls
4.	Tung Tau Estate Project	Phase 8, Tung Tau Estate, Wong Tai Sin, Kowloon	Foundation	Construction of hoarding, pile cap, ELS and driven H-piles
5.	Pak Tin Estate Project	Phase 9, Pak Tin Estate, Shek Kip Mei, Kowloon	Foundation	Construction of mini-piles and associated works
6.	East Kowloon Cultural Centre Project	East Kowloon Cultural Centre in Kowloon Bay, Kowloon	Foundation	Construction of socketed H-piles, geotechnically instrumentation, hoarding modification and associated works
7.	HongKong-Zhuhai-Macao Bridge Project (Middle portion)	HongKong-Zhuhai-Macao Bridge	Foundation	Construction of bored piles
8.	Kai Tak Stage 2 Project	Southern Part of the Former Runway, Kai Tak, Kowloon	Foundation	Construction of rock-socketed steel H-piles
9.	Pok Fu Lam Road No.45 Project	No. 46–65A Pok Fu Lam Road, Hong Kong	Foundation	Construction of large diameter bored piles, shear pile, pipe pile, geotechnically instrumentation, drainage, ELS and pile cap works



	Name of project	Location	Sector	Main category of work
10.	So Kwun Wat Project	Lot No.541 at So Kwun Wat Road, Area 56, Tuen Mun, N.T.	Foundation & Civil Engineering	Construction of large diameter bored piles, socketed steel H-pile, pipe pile, king post, geotechnically instrumentation, drainage, ELS and pile cap works
11.	Pok Fu Lam Project	No.138 Pok Fu Lam Road, Hong Kong	Foundation & Civil Engineering	Construction of socketed steel H-pile, soldier pile, pipe pile, geotechnically instrumentation, drainage, ELS and pile cap works
12.	Tung Chung and Texaco Road Project	Tung Chung Area 27 & Texaco Road	Foundation	Construction of large diameter bored piles, mini-pile, pipe pile, king post, sheet pile, geotechnically instrumentation, ELS and pile cap works
13.	Sau Ming Road Project	Sau Ming Road, Sau Mau Ping, Kwun Tong	Foundation	Construction of mini-piles and associated work
14.	Pok Fu Lam Road bored piles Project	Pok Fu Lam Road, Hong Kong, I.L. 5849 R.P.	Foundation	Construction of large diameter bored piles
15.	So Kwun Wat bored piles Project	So Kwun Wat, Tuen Mun, N.T.	Foundation	Construction of large diameter bored piles



(iii) *Completed project*

As at 30 September 2016, the Group completed 9 projects. The details of such completed projects are as follows:

	Name of project	Location	Sector	Main category of work
1.	MacDonnell Road Project	No. 3 MacDonnell Road, Mid-levels, Hong Kong	Building	Construction of soldier pile, ELS, pile cap, basement works
2.	Tsing Yi Project	Chung Mei Road, Tsing Yi, New Territories	Foundation	Excavation and lateral support and underground drainage works
3.	Sai Kung ELS Project	Lot No. 1950 in DD221, Wai Man Road, Sai Kung, New Territories	Foundation	Construction of ELS and raft foundation works
4.	Kau To 579 Project	Shatin Lot S.T.T.L. 579, Area 56A, Kau To, New Territories	Foundation	Site formation and construction of pipe piles and pad footings
5.	Pak Shek Kok 214 Project	Tai Po Town Lot No. 214 at Fo Yin Road, Pak Shek Kok, New Territories	Foundation	Construction of hoarding, demolition, sheet pile and socketed H-piles
6.	Tuen Mun Siu Lun Project	Area 14 (Siu Lun), Tuen Mun	Foundation	Design and built of socketed H-piles
7.	Lei Yue Mun Project	Yau Tong Inland Lot No. 42, Lei Yue Mun Path, Lei Yue Mun, Kowloon	Foundation	Construction of bored piles, socketed H-Piles, sheet pile, king post, grout curtain, tree protection and hoarding
8.	HongKong-Zhuhai-Macao Bridge Project (Western portion)	HongKong-Zhuhai-Macao Bridge	Foundation	Construction of bored piles
9.	Hung Hom Sung On Street Project	Nos. 1-23 Wan King Street, Nos. 2-26 Wan Fuk Street, Nos. 18-24 Wan On Street, Nos. 1-27 Wan Shun Street, Hung Hom, Kowloon	Foundation	Construction of ELS and pile cap works



II Environmental Protection Business

The environmental protection business of the Group commenced in the second half of the year ended 31 March 2016 and did not record any revenue for the Period.

(i) Kitchen waste treatment

During the Period, the Group completed the acquisition of 100% equity interest in Taiyuan Tianrun Bioenergy Co., Ltd.* (太原天潤生物能源有限公司) (“Taiyuan Tianrun”) at a consideration of RMB43,447,500. For details, please refer to the Company’s announcement dated 28 June 2016. Taiyuan Tianrun will be principally engaged in the kitchen waste treatment after its construction of facilities. The total planned daily production capacity of Taiyuan Tianrun will be 500 tons/day, and Phase I production with capacity of 200 tons/day is anticipated to commence operations in the first quarter of 2017.

On 2 June 2016, the Group entered into a memorandum of understanding in relation to the acquisition of an aggregate of 51% equity interest in Suzhou Clear Industry Co., Ltd.* (蘇州愷利爾環保科技有限公司) (“Suzhou Clear Industry”) and 100% equity interest in Clear Industry (Shanghai) Co., Ltd* (清勤水處理科技(上海)有限公司) (“Clear Industry (Shanghai)”) through Suzhou Clear Industry, at a consideration of not exceeding RMB88 million. Pursuant to this memorandum of understanding, the Group also intended to acquire 51% equity interest in Loudi Fangsheng Environmental Technology Co. Ltd* (婁底市方盛環保科技有限公司) (“Loudi Fangsheng”) owned by Suzhou Clear Industry at a consideration of not less than RMB23 million. On 2 November 2016, the Group entered into an acquisition agreement to acquire 51% of the issued share capital of Clear Industry Company Limited (“Clear Industry”), the holding company of Suzhou Clear Industry, Loudi Fangsheng and Clear Industry (Shanghai), details of which were set out in the Company’s announcement dated 2 November 2016. Such acquisition is yet to be completed up to the date of this interim report.

(ii) Other strategic investments

1. Acquisition of 49% equity interest in PT. Dempo Sumber Energi (“DSE”)

Reference is made to the announcements of the Company dated 23 March 2016, 6 April 2016, 30 May 2016 and 21 September 2016 in relation to the acquisition of 49% equity interest in DSE. Up to the date of this interim report, PT Perusahaan Listrik Negara (Persero) and the Minister of Energy and Mineral Resources of Indonesia are still under discussion on the execution of MEMR 19/2015 and additional time is required for the fulfillment of the conditions precedent to the acquisition agreement entered into by, among others, an indirect wholly-owned subsidiary of the Company and the Vendor (as amended and supplemented by the supplemental agreement). The parties entered into an extension deed on 21 September 2016 to extend the long stop date from 23 September 2016 to 21 April 2017 or such later date as the parties may further agree in writing. The Company will make further announcement for completion of the above acquisition when and as appropriate in accordance with the Listing Rules.



2. Other memoranda of understanding and acquisition of PT. Sumatera Pembangkit Mandiri (“SPM”)

The Group has entered into a memorandum of understanding for acquisition of SPM on 22 January 2016 and 12 other memoranda of understanding on 23 March 2016 in relation to the possible acquisition(s)/investment(s) of companies for the development of hydropower stations in Indonesia. For details, please refer to the Company’s announcements dated 22 January 2016 and 23 March 2016.

Those 12 memoranda of understanding entered into on 23 March 2016 were expired and lapsed. During the Period, the Group entered into an acquisition agreement in relation to acquisition of 80% equity interest in SPM at a consideration of not exceeding US\$4.6 million, depending on the final tariff to be reached in the power purchase agreement. SPM is the project company for the development of a hydropower plant in Indonesia. Such acquisition is yet to be completed up to the date of this interim report.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of such acquisition is less than 5%, such acquisition is not subject to the notification and announcement requirements pursuant to the Listing Rules.

3. Memorandum of understanding for possible acquisition of certain water treatment plants

Reference is made to the announcement of the Company dated 7 June 2016. On 7 June 2016, the Group entered into a memorandum of understanding with the vendors, pursuant to which the vendors will establish a target company and inject all of their respective equity interests in four water treatment companies into such target company. The Group intended to acquire such target company at a consideration of not exceeding RMB103 million. In November 2016, the Group and the vendors reached a termination agreement pursuant to which the above-said memorandum of understanding was terminated and the deposits made by the Group will be repaid by two instalments.

Outlook

Going forward, the Group expects that there will be uncertainties and more challenges ahead for construction industry in Hong Kong such as:

- (i) downturn in Hong Kong economy;
- (ii) slowdown in Hong Kong property market resulting in reducing private construction projects; and
- (iii) keen competition in terms of number of competitors and profit margin of the construction projects.

To cope with the difficulties encountered in the construction market, the Group will implement measures to increase cost effectiveness through foundation design optimization. Facing the above challenges with the increase in competition amongst market competitors, the Group will lower the profit margin in bidding new contracts for the coming tender invitations in order to enhance our chance of obtaining construction projects.



On the other hand, the Group will make use of our competitive advantages through the acquisition of Clear Industry and hands-on operational experience in kitchen waste treatment, and will actively seek for business opportunities through investments, acquisitions, provision of solution systems and operations of kitchen waste treatment plants so as to strengthen our positioning and increase our market share in the kitchen waste treatment in the PRC along with the increase in demands as well as the support of favorable policies and economic growth momentum through the development of the PRC's environmental protection business.

Financial Review

Results

Revenue of the Group for the Period was approximately HK\$472,596,000, representing a decrease of approximately 20.6% from approximately HK\$595,477,000 for the six months ended 30 September 2015. Gross profit increased by approximately 6.8% from approximately HK\$59,054,000 for the six months ended 30 September 2015 to approximately HK\$63,050,000 for the Period. Profit attributable to equity holders of the Company decreased by approximately 25.8% from approximately HK\$30,677,000 for the corresponding period of last year to approximately HK\$22,765,000 for the Period. The overall gross profit margin of the Group increased from approximately 9.9% for the six months ended 30 September 2015 to approximately 13.3% for the Period.

The increase in overall gross profit margin was mainly attributed to the higher revenue from the matured projects and the positive contribution from building projects during the Period as compared to the gross loss of approximately HK\$4.65 million in the corresponding period of last year. The decrease in total comprehensive income attributable to equity holders of the Company was mainly attributable to the increase in operating costs for the environmental protection business segment which commenced in the second half of the year ended 31 March 2016, but without recording any revenue from this new segment during the Period.

Basic earnings per share for the Period decreased to HK5.42 cents per share when compared with HK7.67 cents per share for the six months ended 30 September 2015, based on the profit attributable to equity holders of the Company of HK\$22,765,000 (for the six months ended 30 September 2015: HK\$30,677,000) and the weighted average of 419,672,131 shares (for the six months ended 30 September 2015: 400,000,000) in issue during the Period.

Other income and net gains

Other income and net gains of the Group increased from a net gain of approximately HK\$701,000 for the six months ended 30 September 2015 to a net gain of approximately HK\$4,903,000 for the Period, mainly due to the increase in service fee income and the commencement of sale of construction materials for an aggregate amount of approximately HK\$3,068,000 during the Period.

Administrative expenses

Administrative expenses of the Group increased by approximately 95.9% from approximately HK\$10,574,000 for six months ended 30 September 2015 to approximately HK\$20,713,000 for the Period, representing approximately 4.4% and 1.8% of the Group's revenue for the 2016 and 2015 reporting periods, respectively. The increase in administrative expenses were attributable to the increase in staff costs (including directors' emoluments) and certain operating costs and expenses associated with environmental protection segment which was established in the second half for the year ended 31 March 2016.



Finance costs

Finance costs of the Group increased by approximately 67.1% from approximately HK\$2,507,000 for the six months ended 30 September 2015 to approximately HK\$4,190,000 for the Period, primarily due to an increase in interest expenses on amount due to a related company incurred during the Period.

Interest rates of finance leases and bank loans ranged from approximately 1.18% to 3.95% for the Period, as compared with approximately 1.18% to 3.95% for the six months ended 30 September 2015.

Other operating expenses

Other operating expenses increased by approximately 30.4% from approximately HK\$12,238,000 for the six months ended 30 September 2015 to approximately HK\$15,957,000 for the Period, primarily due to the increase in legal and professional fee for potential projects under environmental protection segment which was established in the second half for the year ended 31 March 2016.

Taxation

Tax charge increased by approximately 15.1% from approximately HK\$3,759,000 for the six months ended 30 September 2015 to approximately HK\$4,328,000 for the Period, primarily due to an increase in provision of income tax of the Group during the Period.

Liquidity and financial resources

The Group maintained a sound financial position during the Period. As at 30 September 2016, the Group had bank balances and cash of approximately HK\$234,075,000 without any pledged bank deposits (as at 31 March 2016: approximately HK\$195,249,000 without any pledged bank deposits).

The aggregate amounts of obligations under finance leases and bank borrowings of the Group as at 30 September 2016 were approximately HK\$47,521,000 (as at 31 March 2016: approximately HK\$74,347,000), and current ratio as at 30 September 2016 was approximately 1.25 (as at 31 March 2016: approximately 1.06).

The Group's borrowings and bank and cash balances are principally denominated in Hong Kong dollar ("HK\$") and there is no significant exposure to foreign exchange rate fluctuations.

Gearing ratio

The gearing ratio as at 30 September 2016 was approximately 12.15% (as at 31 March 2016: approximately 35.19%).

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

The gearing ratio is calculated as aggregate amounts of obligations under finance leases and bank borrowings divided by total equity as at the end of respective periods.

Pledge of assets

As at 30 September 2016, approximately HK\$8,274,000 (as at 31 March 2016: HK\$37,458,000) of contract receivables was pledged to a bank to secure factoring loan.

**Foreign exchange exposure**

During the Period, all of the revenue-generating operations of the Group were transacted in Hong Kong dollar which is the presentation currency of the Group. Certain assets and liabilities of the Group are denominated in Renminbi (“RMB”) and may expose the Group to the fluctuation of HK\$ against RMB. The Group did not enter into any hedging arrangement or derivative products. However, the Board and management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

Capital structure

On 16 August 2016, the Company allotted and issued an aggregate of 80,000,000 new shares of the Company (the “Subscription Shares”) to CEF Concept Holdings Limited and Go Million International Limited (collectively, the “Subscribers”), both being independent third parties of the Company, at the subscription price of HK\$2.1 per Subscription Share. The Subscription Shares represent approximately 16.67% of the issued share capital of the Company as at the date of this interim report. Details of the aforesaid allotment and issue were set out in the Company’s announcements dated 25 July 2016, 4 August 2016, 10 August 2016 and 16 August 2016. Save as disclosed above, there had been no other changes in capital structure of the Company during the Period. The capital of the Company comprises ordinary shares and capital reserves. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings.

Use of proceeds

The net proceeds from the subscription and issue of the Subscription Shares were approximately HK\$167.1 million, after deduction of the legal fees and other professional expenses. These proceeds were previously intended to be applied as general working capital for the operation and development of the kitchen waste treatment business of the Group and the possible acquisition of the water treatment business by the Group. A summary of the use of proceeds up to 30 September 2016 is set out as follows:

	HK\$’million
Net Proceeds	167.1
Less: Development of Taiyuan Tianrun project	(13.9)
	153.2

As disclosed in this interim report, the Group entered into a termination agreement in relation to the possible acquisition of certain water treatment plants. As such, the remaining use of proceeds will be applied for development of kitchen waste treatment and other business opportunities. Save as disclosed herein, the Directors were not aware of any other material change to the planned use of proceeds.

Capital commitments

As at 30 September 2016, the Group did not have any capital commitment (as at 31 March 2016: Nil).

Human resources management

As at 30 September 2016, the Group had 301 employees, including Directors (as at 31 March 2016: 273 employees, including Directors). Total staff costs (including Directors’ emoluments) were approximately HK\$66,741,000 for the Period as compared to approximately HK\$40,844,000 for the six months ended 30 September 2015. Remuneration was 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 share options.

Significant investments held

As at 31 March 2016 and 30 September 2016, the Group held approximately 5.89% of the total issued share capital of Josab International AB, the shares of which are listed on AktieTorget, a stock exchange in Sweden.

Save as disclosed above and except for investment in subsidiaries, during the Period, the Group did not hold any significant investment in equity interest in any other company.

Material acquisitions and disposals of subsidiaries and affiliated companies

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the Period.

Contingent liabilities

As at 30 September 2016, the Group had an outstanding performance bond for construction contracts amounted to approximately HK\$75,134,000 (as at 31 March 2016: approximately HK\$91,600,000).

Interim Dividend

The Directors do not recommend the payment of any interim dividend for the Period (for the six months ended 30 September 2015: Nil).

Events Subsequent to the Period under Review

(1) Placement of Shares by a Substantial Shareholder

On 24 October 2016, Prosper Power Group Limited ("Prosper Power"), one of the substantial shareholders of the Company, completed the placing of 47,500,000 shares of the Company to various independent parties at HK\$2.1 per share. Upon completion, the shareholding of Prosper Power was reduced from approximately 25.83% to approximately 15.94%, details of which were set out in the Company's announcement dated 24 October 2016.

(2) Grant of Share Options

On 24 October 2016, the Company granted share options to certain Directors, employees and consultant to subscribe for a total of 40,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company under the share option scheme adopted by the Company on 26 August 2014. The exercise price of each option is HK\$2.58 per share with validity period of 3 years from 24 October 2016, being the date of grant, to 23 October 2019 (both days inclusive) and exercisable upon acceptance of the grant.

Details of the options granted are set out as follows:

	Number of options granted
Directors	19,350,000
Other employees and consultant	20,650,000
	40,000,000



Details of options granted to the Directors are as follows:

Name of Directors	Positions held with the Company	Number of options granted
Mr. Zhu Yongjun	Chairman of the Board and executive Director	480,000
Ms. Qin Shulan	Executive Director	10,170,000
Mr. Cai Jianwen	Executive Director	6,780,000
Mr. Chu Kingston Chun Ho	Non-executive Director	480,000
Mr. Lo Chun Chiu, Adrian	Independent non-executive Director	480,000
Dr. Tong Ka Lok	Independent non-executive Director	480,000
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i>	Independent non-executive Director	480,000
		19,350,000

(3) Acquisition of 51% of the Issued Share Capital of Clear Industry

On 2 November 2016, the Group entered into an acquisition agreement in relation to the acquisition (the “Acquisition”) of 51% of the issued share capital of Clear Industry at a consideration of RMB87,975,000 (approximately HK\$100,990,000), which will be satisfied (i) as to RMB43,987,500 (approximately HK\$50,495,000) in cash; and (ii) as to RMB43,987,500 (approximately HK\$50,495,000) by issue of the Company’s shares. Clear Industry and its subsidiaries are principally engaged in the business of trading, EPC of kitchen waste treatment, water treatment and provision for other environmental improvement solutions systems. As at the date of this interim report, the Acquisition has not been completed. For details, please refer to the Company’s announcement dated 2 November 2016.

- (4)** Mr. Chu Shu Cheong has tendered his resignation as executive Director with effect from 29 November 2016 in order to devote more time to the development of the Group’s construction work business and daily operations.

Share Option Scheme

The purpose of the share option scheme adopted by the Company on 26 August 2014 (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 the Group and to promote the success of the business of the 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 the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the 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 the 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 of the Company dated 4 September 2014. 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 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 of Hong Kong Limited (the “Stock Exchange”) 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 of 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 the 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 the 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 of the Company 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 the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.

Any grant of an option to a Director, chief executive or substantial shareholder of the 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 of the Company 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 of the Company at a general meeting of the Company, with voting to be taken by way of poll.

On 24 October 2016, the Company granted share options to certain Directors, employees and consultant to subscribe for a total of 40,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company under the Share Option Scheme. The exercise price of each option is HK\$2.58 per share with validity period of 3 years from 24 October 2016, being the date of grant, to 23 October 2019 (both days inclusive) and exercisable upon acceptance of the grant.

Details of movement of the share options granted under the Share Option Scheme are set out as follows:

Participants	Date of grant	Exercisable period	Exercise price HK\$	Granted during the Period and outstanding at 30 September 2016
Directors				
Mr. Zhu Yongjun	24 October 2016	24 October 2016 to 23 October 2019	2.58	480,000
Ms. Qin Shulan	24 October 2016	24 October 2016 to 23 October 2019	2.58	10,170,000
Mr. Cai Jianwen	24 October 2016	24 October 2016 to 23 October 2019	2.58	6,780,000
Mr. Chu Kingston Chun Ho	24 October 2016	24 October 2016 to 23 October 2019	2.58	480,000
Mr. Lo Chun Chiu, Adrian	24 October 2016	24 October 2016 to 23 October 2019	2.58	480,000
Dr. Tong Ka Lok	24 October 2016	24 October 2016 to 23 October 2019	2.58	480,000
Mr. Choy Wai Shek, Raymond, <i>MH, JP</i>	24 October 2016	24 October 2016 to 23 October 2019	2.58	480,000
Other employees and consultant	24 October 2016	24 October 2016 to 23 October 2019	2.58	20,650,000
				40,000,000

Apart from the aforesaid Share Option Scheme, at no time during the Period and up to the date of this interim 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 2016, 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 of the Company 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

Name of directors	Interests in ordinary shares			Total	Total	Aggregate	% of the Company's issued voting shares
	Personal interests	Family interests	Corporate interests	interests in ordinary shares	interests in underlying shares		
Zhu Yongjun (Note 1)	—	—	76,000,000	76,000,000	—	76,000,000	15.83%
Chu Shu Cheong (Note 2)	—	—	124,000,000	124,000,000	—	124,000,000	25.83%
Kwan Man Hay (Note 2)	—	—	124,000,000	124,000,000	—	124,000,000	6.46%
							(attributable interest)
Chu Kingston Chun Ho (Note 3)	—	—	24,600,000	24,600,000	—	24,600,000	5.12%

Notes:

- The 76,000,000 shares are beneficially held by Jumbo Grand Enterprise Development Limited ("Jumbo Grand"). Mr. Zhu Yongjun owns 100% of the issued voting shares of Jumbo Grand. Mr. Zhu Yongjun is deemed or taken to be interested in all the shares which are beneficially owned by Jumbo Grand for the purpose of the SFO. Mr. Zhu Yongjun is the Chairman of the Board and an executive Director of the Company and is the brother-in-law of Mr. Allan Warburg, an ultimate beneficial owner of Simple Gain International Limited, a shareholder of the Company.
- The 124,000,000 shares are beneficially held by Prosper Power. As at the date of this interim report, Mr. Chu Shu Cheong (who was resigned as an executive director on 29 November 2016) and Mr. Kwan Man Hay own 75% and 25% of the issued voting shares of Prosper Power, respectively. Mr. Chu Shu Cheong is deemed or taken to be interested in all the shares which are beneficially owned by Prosper Power and Mr. Kwan May Hay is deemed or taken to be interested in 25% of the shares which are beneficially owned by Prosper Power for the purpose of the SFO. Mr. Chu Shu Cheong and Mr. Kwan Man Hay are directors of Prosper Power.

Subsequent to 30 September 2016, Prosper Power disposed 47,500,000 shares in October 2016. Upon the aforesaid disposal, Prosper Power held 76,500,000 shares, representing 15.94% of the total issued share capital of the Company as at the date of this report. Mr. Chu Shu Cheong is deemed or taken to be interested on all shares beneficially owned by Prosper Power for the purpose of the SFO, and Mr. Kwan Man Hay is deemed to have an attributable interest of 3.98% of the total issued share capital of the Company as at the date of this report. On 29 November 2016, Mr. Chu Shu Cheong resigned as an executive Director.

The 76,500,000 shares beneficially held by Prosper Power had been pledged in favor of Kingston Finance Limited to secure a loan granted to Prosper Power as at the date of this report.

- The 24,600,000 shares are beneficially held by Go Million International Limited ("Go Million"). Mr. Chu Kingston Chun Ho owns 100% of the issued voting shares of Go Million. Mr. Chu Kingston Chun is deemed or taken to be interested in all the shares which are beneficially owned by Go Million for the purpose of the SFO.



(ii) Interests in the associated corporation

Name of directors	Name of associated corporation	Capacity/Nature	No. of shares held	% of the issued voting shares of associate corporation
Zhu Yongjun	Jumbo Grand	Interest in controlled corporation	10,000	100%
Chu Shu Cheong	Prosper Power	Interest in controlled corporation	75	75%
Kwan Man Hay	Prosper Power	Interest in corporation	25	25%
Chu Kingston Chun Ho	Go Million	Interest in controlled corporation	100	100%

Save as disclosed above, as at 30 September 2016, 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 2016, 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 (Note 1)	Beneficial owner	124,000,000	25.83%
Jumbo Grand Enterprise Development Limited (Note 2)	Beneficial owner	76,000,000	15.83%
Simple Gain International Limited (Note 3)	Beneficial owner	40,000,000	8.33%
Allan Warburg Holdings Limited (Note 3)	Interest in a controlled corporation	40,000,000	8.33%
Warburg Allan (Note 3)	Interest in a controlled corporation	40,000,000	8.33%
Kingston Finance Limited (Notes 1 and 4)	Person having a security interest in shares	124,000,000	25.83%
Ample Cheer Limited (Notes 1 and 4)	Interest in a controlled corporation	124,000,000	25.83%
Best Forth Limited (Notes 1 and 4)	Interest in a controlled corporation	124,000,000	25.83%
Chu Yuet Wah (Notes 1 and 4)	Interest in a controlled corporation	124,000,000	25.83%
CEF Concept Holdings Limited (Note 5)	Beneficial owner	55,400,000	11.54%
CEF IV Holdings Limited (Note 5)	Interest in a controlled corporation	55,400,000	11.54%
China Environment Fund IV, L.P. (Note 5)	Interest in a controlled corporation	55,400,000	11.54%
CEF IV Management, L.P. (Note 5)	Interest in a controlled corporation	55,400,000	11.54%
CEF IV Management, Ltd. (Note 5)	Interest in a controlled corporation	55,400,000	11.54%
Yun Pun Wong (Note 5)	Interest in a controlled corporation	55,400,000	11.54%
Go Million (Note 6)	Beneficial owner	24,600,000	5.12%

Notes:

- Prosper Power is owned as to 75% by Mr. Chu Shu Cheong (an executive Director) and 25% by Mr. Kwan Man Hay (an executive Director). On 29 November 2016, Mr. Chu Shu Cheong resigned as an executive Director.

Subsequent to 30 September 2016, Prosper Power disposed 47,500,000 shares in October 2016. Upon the aforesaid disposal, Prosper Power held 76,500,000 shares, representing 15.94% of the total issued share capital of the Company as at the date of this report. The 76,500,000 shares beneficially held by Prosper Power had been pledged in favor of Kingston Finance Limited to secure a loan granted to Prosper Power.



2. Jumbo Grand is wholly-owned by Mr. Zhu Yongjun who is the Chairman of the Board and an executive Director of the Company. Accordingly, Mr. Zhu Yongjun is deemed to be interested in the 76,000,000 shares held by Jumbo Grand for the purpose of the SFO.
3. Simple Gain International Limited is wholly-owned by Allan Warburg Holdings Limited, which is in turn wholly-owned by Mr. Warburg Allan. Accordingly, Allan Warburg Holdings Limited and Mr. Warburg Allan are deemed to be interested in the 40,000,000 shares held by Simple Gain International Limited for the purpose of the SFO. Mr. Warburg Allan is the brother-in-law of Mr. Zhu Yongjun, the Chairman of the Board and an executive Director of the Company.
4. Kingston Finance Limited is wholly-owned by Ample Cheer Limited, which is in turn owned as to 80% by Best Forth Limited, which is wholly-owned by Ms. Chu Yuet Wah. Accordingly, Ample Cheer Limited, Best Forth Limited and Ms. Chu Yuet Wah are deemed to be interested in all shares held by Kingston Finance Limited.
5. CEF Concept Holdings Limited is wholly-owned by CEF IV Holdings Limited, which is in turn owned as to 92.55% by China Environment Fund IV, L.P., an investment fund incorporated in the Cayman Islands. CEF IV Management, L.P. is the general partner of China Environment Fund IV, L.P., and CEF IV Management, Ltd. is the general partner of CEF IV Management, L.P.. Therefore, by virtue of Part XV of the SFO, CEF IV Management, L.P. and CEF IV Management, Ltd. are both deemed to be interested in the 55,400,000 shares of the Company held by CEF Concept Holdings Limited, CEF IV Management, Ltd. is wholly-owned by Yun Pun Wong. Accordingly, Yun Pun Wong is also deemed to be interested in the 55,400,000 shares of the Company held by CEF Concept Holdings Limited for the purpose of the SFO.
6. Go Million is wholly-owned by Mr. Chu Kingston Chun Ho. Accordingly, Mr. Chu Kingston Chun Ho is deemed to be interested in the 24,600,000 shares held by Go Million for the purpose of the SFO.

Save as disclosed under the sections headed “Directors’ and Chief Executives’ Interests or Short Positions in Shares, Underlying Shares and Debentures” and “Substantial Shareholder’s Interests and/or Short Position in Shares and Underlying Shares of the Company” which is discloseable under Divisions 2 and 3 of Part XV of the SFO above, as at 30 September 2016, 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 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

Reference is made to the announcements of the Company dated 25 July 2016, 4 August 2016, 10 August 2016 and 16 August 2016 in relation to the subscription of an aggregate of 80,000,000 Subscription Shares by the Subscribers at the subscription price of HK\$2.10 per Subscription Share (the “Subscription”). On 16 August 2016, the Subscription was completed and the Subscription Shares were issued by the Company to the Subscribers under general mandate.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

Code of Conduct 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.



Non-Compliance with Rule 3.10A of the Listing Rules

Following the appointment of Dr. Zhang Lihui and Mr. Chu Kingston Chun Ho as non-executive Directors on 8 September 2016, the Board comprised ten Directors, among them three were independent non-executive Directors. Therefore, the number of independent non-executive Directors fell below the minimum number required under Rule 3.10A of the Listing Rules. Following the resignation of Mr. Chu Shu Cheong as an executive Director on 29 November 2016, the Board now comprises nine Directors, among them three are independent non-executive Directors. As such, the number of independent non-executive Directors reaches the minimum number required under Rule 3.10A of the Listing Rules.

Corporate Governance Practices

The Board believes that good corporate governance is one of the areas leading to the success of the Company and 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 (the “Code Provisions”) of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Period.

Audit Committee

The Audit Committee 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 of the Audit Committee), 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, which is of the opinion that the interim financial information of the Group comply with the applicable accounting principles and practices adopted by the Group as well as the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By Order of the Board
New Concepts Holdings Limited
Zhu Yongjun
Chairman and Executive Director

Hong Kong, 29 November 2016



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

For the six months ended 30 September 2016

	Notes	Six months ended 30 September	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	4	472,596	595,477
Cost of sales		(409,546)	(536,423)
Gross profit		63,050	59,054
Other income	5	4,903	701
Administrative expenses		(20,713)	(10,574)
Other operating expenses		(15,957)	(12,238)
Operating profit		31,283	36,943
Finance costs	6	(4,190)	(2,507)
Profit before taxation	7	27,093	34,436
Income tax expense	8	(4,328)	(3,759)
Profit for the period attributable to equity holders of the Company		22,765	30,677
<i>Other comprehensive income for the period, net of tax item that may be reclassified subsequently to profit or loss:</i>			
— Fair value changes of available-for-sale financial assets		(7,995)	—
— Exchange differences on translation of foreign operations		(2,142)	—
		(10,137)	—
Total comprehensive income for the period attributable to equity owners of the Company		12,628	30,677
		HK cents	HK cents
Basic and diluted earnings per share	9	5.42	7.67

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016



	Notes	30 September 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		195,962	198,614
Intangible assets	14	69,801	—
Available-for-sale financial assets		11,531	20,287
Rental deposit		826	826
		278,120	219,727
Current assets			
Trade and other receivables	11	527,373	365,108
Loan receivable		17,440	18,592
Amounts due from customers for contract work		28,186	64,121
Tax recoverable		—	800
Bank balances and cash		234,075	195,249
		807,074	643,870
Current liabilities			
Trade and other payables	12	590,108	543,201
Bank borrowings		9,436	20,077
Amounts due to customers for contract work		29,363	11,140
Obligations under finance leases		14,797	30,982
Tax payable		1,872	—
		645,576	605,400
Net current assets		161,498	38,470
Total assets less current liabilities		439,618	258,197



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	30 September 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		25,273	23,617
Obligations under finance leases		23,288	23,288
		48,561	46,905
Net assets		391,057	211,292
Capital and reserves			
Share capital	13	48,000	40,000
Reserves		343,057	171,292
Total equity		391,057	211,292

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016



	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (Note a)	Revaluation reserve HK\$'000 (Note b)	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 April 2015	40,000	38,103	14,000	—	—	63,722	155,825
Profit and total comprehensive income for the period	—	—	—	—	—	30,677	30,677
Balance at 30 September 2015	40,000	38,103	14,000	—	—	94,399	186,502
Balance at 1 April 2016	40,000	38,103	14,000	5,033	719	113,437	211,292
Profit for the period	—	—	—	—	—	22,765	22,765
Other comprehensive income/losses for the period:							
Fair value changes of available-for-sale financial assets	—	—	—	(7,995)	—	—	(7,995)
Exchange differences on translation of foreign operations	—	—	—	—	(2,142)	—	(2,142)
Total comprehensive income/losses	40,000	38,103	14,000	(2,962)	(1,423)	136,202	223,920
Transaction with owners:							
Issue of shares by subscription	8,000	159,137	—	—	—	—	167,137
Balance at 30 September 2016	48,000	197,240	14,000	(2,962)	(1,423)	136,202	391,057

Note:

(a) The merger reserve of the Group represents the share capital of New Concepts Engineering Development Limited and New Concepts Foundation Limited pursuant to the Group Reorganisation.

(b) Revaluation reserve comprises the fair value gains on available-for-sale financial assets.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(3,760)	68,718
Net cash used in investing activities	(98,079)	(37,931)
Net cash generated from financing activities	140,312	22,073
Net increase in cash and cash equivalents	38,473	52,860
Cash and cash equivalents at beginning of the period	195,249	41,653
Effect of foreign exchange rate changes	353	—
Cash and cash equivalents at end of the period, represented by bank and cash balances	234,075	94,513

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



For the six months ended 30 September 2016

1. General Information

The Company was incorporated in the Cayman Islands 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 Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group's subsidiaries are principally engaged in the business of construction works and environmental protection.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

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.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report of the Company for the year ended 31 March 2016.

The condensed consolidated results have not been audited but have been reviewed by the audit committee of the Company (the "Audit Committee").

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 2016 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.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

4. Revenue and Segmental Information

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

	Six months ended 30 September	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Foundation works	462,142	482,784
Civil engineering and building works	10,454	112,693
	472,596	595,477

Information reported to the executive Directors, 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 current operating segments are (i) foundation works; (ii) civil engineering and building works; and (iii) environmental protection. 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.

(a) Segment information

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

For the six months ended 30 September 2016 (Unaudited)

	Foundation works HK\$'000	Civil engineering and building works HK\$'000	Environmental protection HK\$'000	Total HK\$'000
Revenue				
Revenue from external parties	462,142	10,454	—	472,596
Total segment revenue	462,142	10,454	—	472,596
Adjusted segment profit/(loss)				
Depreciation	13,142	—	18	13,160



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

4. Revenue and Segmental Information (continued)

(a) Segment information (continued)

For the six months ended 30 September 2015 (Unaudited)

	Foundation works HK\$'000	Civil engineering and building works HK\$'000	Total HK\$'000
Revenue			
Revenue from external parties	482,784	112,693	595,477
Total segment revenue	482,784	112,693	595,477
Adjusted segment profit	39,730	7,370	47,100
Depreciation	11,954	—	11,954

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before income tax. The adjusted profit before income tax is measured consistently with the Group's profit before income tax except that finance costs, inter-segment transactions as well as head office and corporate expenses are excluded from such measurement.

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

5. Other Income

	Six months ended 30 September	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Bank interest income	62	49
Other interest income	595	—
Exchange gain	456	29
Machine rental income	—	533
Service fee income	2,080	—
Sales of materials	988	10
Sundry income	722	80
	4,903	701



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

6. Finance Costs

	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank loans and overdrafts	414	523
Finance lease charges	776	1,984
Interest expense on amount due to a related company	3,000	—
	4,190	2,507

7. Profit Before Taxation

	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation is stated after charging the following items:		
Rental charge under operating lease	3,008	524
Depreciation of property, plant and equipment	14,351	12,820
Staff costs (including directors' remuneration)		
— Salaries, wages and other benefits	64,015	39,663
— Mandatory provident fund contributions	2,726	1,181
	66,741	40,844



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

8. Income Tax Expense

	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The tax charge comprises		
— Hong Kong profits tax	2,672	1,845
— Deferred taxation — current period	1,656	1,914
	4,328	3,759

The Company is tax exempted 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% (2015: 16.5%) on the estimated assessable profit arising in Hong Kong.

9. Earnings per Share

The calculation of the basic earnings per share is based on (i) the consolidated profit attributable to equity holders of the Company for the Period of approximately HK\$22,765,000 (for the six months ended 30 September 2015: approximately HK\$30,677,000); and (ii) weighted average number of shares in issue during the Period of 419,672,131 (for the six months ended 30 September 2015: 400,000,000).

For the Period and the six months ended 30 September 2015, no diluted earnings per share have been presented as there were no potential ordinary shares in issue during both periods.

10. Dividend

The Board did not recommend an interim dividend for the Period (for the six months ended 30 September 2015: Nil).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

11. Trade and Other Receivables

	30 September 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
Contract receivables (note (a))	290,404	188,247
Retention receivables (note (b))	75,979	90,374
Total trade receivables	366,383	278,621
Other receivables, deposits and prepayments	160,990	86,487
	527,373	365,108

Notes:

(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 to 49 days from invoice date of the relevant contract receivables.

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

	30 September 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
0–30 days	45,864	145,669
31–60 days	97,390	33,547
61–90 days	30,571	3,251
Over 90 days	116,579	5,780
	290,404	188,247

(b) Retention receivables were not past due as at 30 September 2016 and 31 March 2016. They are settled in accordance with the terms of respective contracts.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

12. Trade and Other Payables

	30 September 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
Trade payables (note)	110,962	127,629
Retention payables	53,070	64,617
Accruals and other payables	68,727	16,507
Provision for long service payment	791	791
Provisions for annual leave	841	842
Amount due to related companies	355,717	332,815
	590,108	543,201

Note:

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 2016 HK\$'000 (Unaudited)	31 March 2016 HK\$'000 (Audited)
0–30 days	38,526	68,397
31–60 days	42,661	46,058
61–90 days	14,170	5,296
Over 90 days	15,605	7,878
	110,962	127,629

13. Share Capital

The increase in share capital was resulted from the subscription and allotment of the Company's shares in August 2016, details of which are set out in the Company's announcements dated 25 July 2016, 10 August 2016 and 16 August 2016.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

14. Acquisition of a Subsidiary

During the Period, the Group acquired 100% equity interest in Taiyuan Tianrun Bioenergy Co., Ltd. (太原天潤生物能源有限公司) ("Taiyuan Tianrun"). Taiyuan Tianjin is principally engaged in the kitchen waste treatment after its formal commencement of business.

Up to the date of this report, the purchase price allocation process is under progress. In addition to the service concession arrangement of Taiyuan Tianrun, the Group has used the estimated fair values of the acquired assets and assumed liabilities with the excess of the cost of acquisition over these estimated fair values being recorded as intangible assets.

The purchase price allocation to the acquired assets and assumed liabilities in these unaudited condensed consolidated financial statements is provisional and may be adjusted in the Group's consolidated financial statements for the year ending 31 March 2017 when the purchase price allocation is finalised. Had the purchase price allocation been finalised, the fair values of the assets acquired and liabilities assumed and the amount of intangible assets could be different from the amounts recognised.

15. Related Party Transactions

Related parties transaction

Name of related party	Nature of transaction	Six months ended 30 September	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Related companies			
Turbo Link Trading Limited	Loan interest	3,000	—
New Concepts Holdings (International) Limited	Rental expenses	110	110

16. Contingent Liabilities

Performance bonds

Performance bonds have been issued by banks as the Group has major construction contracts with customers and the bonds are for the performance guarantee for the provision of works for such projects. 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 2016, the amount of outstanding performance bonds was approximately HK\$75,134,000 (31 March 2016: approximately HK\$91,600,000).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

17. Events after the Reporting Period

(1) Placement of Shares by a Substantial Shareholder

On 24 October 2016, Prosper Power, one of the substantial shareholders of the Company, completed the placing of 47,500,000 shares of the Company to various independent parties at HK\$2.1 per share.

(2) Grant of Share Options

On 24 October 2016, the Company granted an aggregate of 19,350,000 share options to certain Directors, and an aggregate of 20,650,000 share options to employees and consultant to subscribe for a total of 40,000,000 ordinary shares of HK\$0.10 each in the share capital of the Company under the Share Option Scheme at an exercise price of each option of HK\$2.58 per share with validity period of 3 years from 24 October 2016, being the date of grant, to 23 October 2019 (both days inclusive) and exercisable upon acceptance of the grant.

(3) Acquisition of 51% of the Issued Share Capital of Clear Industry

On 2 November 2016, the Group entered into an acquisition agreement in relation to the acquisition (the "Acquisition") of 51% of the issued share capital of Clear Industry at a consideration of RMB87,975,000 (approximately HK\$100,990,000). As at the date of this report, the Acquisition has not been completed.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.