

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

NOBLE ENGINEERING GROUP HOLDINGS LIMITED

怡康泰工程集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8445)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2017

Unaudited interim results

The unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and six months ended 30 September 2017, together with the unaudited comparative figures for the corresponding periods in 2016, are as follows:

	<i>Note</i>	Three months ended 30 September		Six months ended 30 September	
		2017	2016	2017	2016
		HK\$’000	HK\$’000	HK\$’000	HK\$’000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	85,737	55,967	197,362	139,652
Direct costs		<u>(76,607)</u>	<u>(50,108)</u>	<u>(176,570)</u>	<u>(125,071)</u>
Gross profit		9,130	5,859	20,792	14,581
Other income and gain	3	265	16	267	16
Administrative and other operating expenses		(9,798)	(376)	(19,554)	(3,848)
Finance costs	5(a)	<u>(59)</u>	<u>(11)</u>	<u>(204)</u>	<u>(23)</u>
(Loss)/profit before income tax	5	(462)	5,488	1,301	10,726
Income tax expense	6	<u>(1,079)</u>	<u>(1,038)</u>	<u>(2,457)</u>	<u>(1,750)</u>
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company		<u>(1,541)</u>	<u>4,450</u>	<u>(1,156)</u>	<u>8,976</u>
(Losses)/earnings per share					
Basic and diluted (HK cents per share)	7	<u>(0.34)</u>	<u>0.99</u>	<u>(0.26)</u>	<u>1.99</u>

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 30 September 2017*

	<i>Note</i>	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Plant and equipment	9	1,638	2,003
Deferred tax assets		496	179
		<u>2,134</u>	<u>2,182</u>
CURRENT ASSETS			
Gross amounts due from customers for contract work		14,686	28,608
Trade and other receivables	10	109,903	48,074
Cash and bank balances		27,098	29,389
Restricted cash	11	820	80
		<u>152,507</u>	<u>106,151</u>
CURRENT LIABILITIES			
Gross amounts due to customers for contract work		7,652	7,733
Trade and other payables	12	42,431	29,148
Amounts due to directors	13	–	20,432
Bank overdrafts		–	6,246
Current income tax liabilities		4,124	3,171
		<u>54,207</u>	<u>66,730</u>
NET CURRENT ASSETS		<u>98,300</u>	<u>39,421</u>
NET ASSETS		<u>100,434</u>	<u>41,603</u>
CAPITAL AND RESERVES			
Share capital	14	6,000	10,000
Reserves	15	94,434	31,603
TOTAL EQUITY		<u>100,434</u>	<u>41,603</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Attributable to equity shareholders of the Company				Total
	Share capital (Note 14) HK\$'000	Share premium (Note 15) HK\$'000	Other reserve (Note 15) HK\$'000	Retained earnings HK\$'000	
Balance at 1 April 2016 (Audited)	–	–	–	19,047	19,047
Profit and total comprehensive income for the period	–	–	–	8,976	8,976
Balance at 30 September 2016 (Unaudited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>28,023</u>	<u>28,023</u>

For the six months ended 30 September 2017

	Attributable to equity shareholders of the Company				Total
	Share capital (Note 14) HK\$'000	Share premium (Note 15) HK\$'000	Other reserve (Note 15) HK\$'000	Retained earnings HK\$'000	
Balance at 1 April 2017 (Audited)	10,000	–	–	31,603	41,603
Loss and total comprehensive expense for the period	–	–	–	(1,156)	(1,156)
Reorganisation	(10,000)	–	10,000	–	–
Share issued pursuant to the capitalisation issue	4,500	(4,500)	–	–	–
Share issued pursuant to the share offer	1,500	69,000	–	–	70,500
Share issuance costs	–	(10,513)	–	–	(10,513)
Balance at 30 September 2017 (Unaudited)	<u>6,000</u>	<u>53,987</u>	<u>10,000</u>	<u>30,447</u>	<u>100,434</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 September 2017*

	Six months	
	ended 30 September	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	5,427	2,426
Tax paid	(1,819)	—
	<hr/>	<hr/>
Net cash generated from operating activities	3,608	2,426
Cash flows from investing activities		
Purchases of plant and equipment	(24)	(139)
Others	1	1,676
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(23)	1,537
Cash flows from financing activities		
Net proceeds from issuance of shares	21,006	—
Repayment of finance leases liabilities	—	(269)
Repayments to directors	(20,432)	—
Others	(204)	(23)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	370	(292)
Net increase in cash and cash equivalents	3,955	3,671
Cash and cash equivalents at beginning of period	23,143	25,402
	<hr/>	<hr/>
Cash and cash equivalents at ending of period	27,098	29,073
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	27,098	29,073
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 12 April 2017 as an exempted company with limited liability. The shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange on 29 September 2017 (the “Listing”). Its parent and ultimate holding company is Land Noble Holdings Limited (“Land Noble”), a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Tse Chun Yuen and Mr. Tse Chun Kuen, the executive Directors of the Company.

The address of its registered office in the Cayman Islands is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 809, 8/F., Cheung Sha Wan Plaza, Tower II, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong. The Company is an investment holding company. The principal activities of the Group are the provision of wet trades works services.

Prior to the corporate reorganisation undertaken in preparation for listing of the Company’s shares on the GEM of the Stock Exchange (the “Reorganisation”), the group entities were under the control of Mr. Tse Chun Yuen and Mr. Tse Chun Kuen. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 6 September 2017. Accordingly, for the purpose of preparing the unaudited condensed consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the six months ended 30 September 2017 presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Tse Chun Yuen and Mr. Tse Chun Kuen prior to and after the Reorganisation.

The unaudited condensed consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the periods presented in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated statement of profit or loss and other comprehensive income and unaudited condensed consolidated statement of changes in equity for the periods presented, which include the results and changes in equity of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the period.

These unaudited condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$000”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

The following new and amended standards have been adopted by the Group:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of these new and revised HKFRSs have no significant financial effect on the unaudited condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in the unaudited condensed consolidated financial statements.

The Group has not early adopted any other standard, amendment or interpretation that has been issued but is not yet effective.

3 REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue and other income and gain recognised during the respective periods are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue				
Provision of wet trades works services	<u>85,737</u>	<u>55,967</u>	<u>197,362</u>	<u>139,652</u>
Other income and gain				
Bank interest income	212	–	212	–
Others	<u>53</u>	<u>16</u>	<u>55</u>	<u>16</u>
	<u>265</u>	<u>16</u>	<u>267</u>	<u>16</u>

4 SEGMENT INFORMATION

Operating Segment

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors regards the Group's business as a single operating segment and reviews financial information accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

5 (LOSS)/ PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	Three months ended 30 September		Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
(a) Finance costs				
Interest on finance leases	–	11	–	23
Interest on bank overdrafts	<u>59</u>	<u>–</u>	<u>204</u>	<u>–</u>
	<u>59</u>	<u>11</u>	<u>204</u>	<u>23</u>

	Three months		Six months	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(b) Other items				
Depreciation of assets under finance leases	–	88	–	216
Depreciation of owned assets	<u>183</u>	<u>72</u>	<u>389</u>	<u>102</u>
	183	160	389	318
Less: Amount included in gross amounts due from/(to) customers for contract work	<u>(31)</u>	<u>–</u>	<u>(26)</u>	<u>(17)</u>
	152	160	363	301
Operating lease rental in respect of machinery and equipment	117	197	135	225
Less: Amount included in gross amounts due from/(to) customers for contract work	<u>(12)</u>	<u>(61)</u>	<u>(11)</u>	<u>(58)</u>
	105	136	124	167
Listing expenses	6,994	–	13,581	–
Operating lease rental in respect of premises	158	–	316	–
Provision for impairment of trade receivables (Note 10(b))	1,083	–	2,513	1,614
Provision reversed for impairment of trade receivables (Note 10(b))	(580)	–	(860)	–
Gain on disposal of plant and equipment	<u>1</u>	<u>–</u>	<u>1</u>	<u>–</u>

6 INCOME TAX EXPENSE

	Three months		Six months	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax	1,197	1,054	2,774	1,996
Deferred income tax	<u>(118)</u>	<u>(16)</u>	<u>(317)</u>	<u>(246)</u>
	1,079	1,038	2,457	1,750

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2016: 16.5%) to the six months ended 30 September 2017.

7 (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

	Three months ended 30 September		Six months ended 30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to owners of the Company (<i>HK\$'000</i>)	(1,541)	4,450	(1,156)	8,976
Weighted average number of ordinary shares (<i>'000</i>) (<i>Note (a)</i>)	453,261	450,000	451,639	450,000
Basic and diluted (losses)/earnings per share (<i>HK cents per share</i>)	<u>(0.34)</u>	<u>0.99</u>	<u>(0.26)</u>	<u>1.99</u>

Note:

(a) In determining the number of shares in issue, the total of 450,000,000 shares issued, 1 share issued on the incorporation of the Company, 9,999 shares issued on the Reorganisation of the Group and 449,990,000 shares issued on capitalisation issue were deemed to have issued since 1 April 2016.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the respective periods.

8 DIVIDENDS

No dividends have been proposed or paid by the Company or any of its subsidiaries during the six months ended 30 September 2017 (six months ended 30 September 2016: Nil).

9 PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group acquired items of plant and equipment with a cost of approximately HK\$24,000 (six months ended 30 September 2016: HK\$139,000).

10 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
0-30 days	29,305	10,291
31-60 days	2,754	4,375
61-90 days	16	1,510
Over 90 days	—	103
	<hr/>	<hr/>
Trade receivables, net of allowance for doubtful debts	32,075	16,279
Retention receivables (<i>Note (c)</i>)	32,440	28,905
Listing proceeds receivable (<i>Note (d)</i>)	43,706	—
Other receivables, deposits and prepayments	1,682	2,890
	<hr/>	<hr/>
	109,903	48,074
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Whilst the credit period granted to customers are ranging from 17 to 35 days generally.
- (b) Movements in the Group's provision for impairment of trade receivables are as follows:

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
As at 1 April 2017/1 April 2016	2,665	—
Provision made for the period/year (<i>Note 5(b)</i>)	2,513	2,665
Provision reversed for the period/year (<i>Note 5(b)</i>)	(860)	—
	<hr/>	<hr/>
As at 30 September 2017/31 March 2017	4,318	2,665
	<hr/> <hr/>	<hr/> <hr/>

- (c) Retention receivables were not past due as at the end of each reporting period, and were settled in accordance with the terms of respective contract.
- (d) The amount was fully settled on 10 October 2017.

11 RESTRICTED CASH

Restricted cash represents deposit held at an insurance company for faithful of performance in according to the contracts between the Group and the customers.

12 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 30 September 2017 HK\$'000 (Unaudited)	As at 31 March 2017 HK\$'000 (Audited)
0-30 days	19,210	22,423
31-60 days	2,281	1,715
61-90 days	1,658	1,150
Over 90 days	<u>6,746</u>	<u>2,596</u>
Total trade payables	29,895	27,884
Accruals and other payables (<i>Note (a)</i>)	<u>12,536</u>	<u>1,264</u>
	<u>42,431</u>	<u>29,148</u>

Note:

- (a) Accruals and other payables included accrued listing expenses of approximately HK\$11,084,000 which was fully settled in October 2017.

13 AMOUNTS DUE TO DIRECTORS

The amounts due to directors are non-trade nature, unsecured, interest-free and repayable on demand.

The amounts were fully settled during the six months ended 30 September 2017.

14 SHARE CAPITAL

As at 31 March 2017, the share capital represents the aggregate of paid up share capital of the companies comprising the Group held by the controlling shareholders of the Company prior to the Reorganisation.

Details of the Company's authorised and issued ordinary share capital are as follows:

	<i>Notes</i>	Number of ordinary shares	Share Capital HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
Upon incorporation of the Company on 12 April 2017	<i>(a)</i>	10,000,000	100
Increase in number of authorised shares	<i>(b)</i>	<u>1,490,000,000</u>	<u>14,900</u>
As at 30 September 2017		<u><u>1,500,000,000</u></u>	<u><u>15,000</u></u>
Issued and fully paid:			
Upon incorporation of the Company on 12 April 2017	<i>(a)</i>	1	–
Shares issued upon the Reorganisation	<i>(c)</i>	9,999	–
Shares issued pursuant to the capitalisation issue	<i>(d)</i>	449,990,000	4,500
Shares issued pursuant to the share offer	<i>(e)</i>	<u>150,000,000</u>	<u>1,500</u>
As at 30 September 2017		<u><u>600,000,000</u></u>	<u><u>6,000</u></u>

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 12 April 2017 with an initial authorised share capital of HK\$100,000 divided into 10,000,000 ordinary shares of HK\$0.01 each and one nil-paid subscriber share was issued and allotted to the subscriber which was subsequently transferred to Land Noble on the same date.
- (b) Pursuant to the resolutions passed by the sole shareholder of the Company on 14 September 2017, the authorised share capital of the Company was increased from HK\$100,000 to HK\$15,000,000 divided into 1,500,000,000 ordinary shares by the creation of an additional 1,490,000,000 ordinary shares of HK\$0.01 each, ranking pari passu in all respects with the existing shares.
- (c) Pursuant to the Reorganisation and as consideration for the acquisition by the Company of the entire issued share capital of Noble Wisdom Holdings Limited from Mr. Tse Chun Yuen and Mr. Tse Chun Kuen on 6 September 2017, the Company issued and allotted 9,999 ordinary shares to Land Noble, all credited as fully paid respectively.
- (d) Pursuant to a written resolution passed by the sole shareholder of the Company on 14 September 2017 and conditional upon the share premium account of the Company being credited as a result of the share offer, the Company authorised to allot and issued a total of 449,990,000 ordinary shares credited as fully paid at par to the holder of the Company's shares on the register of members of the Company at the close of business on 14 September 2017 by way of capitalisation of the sum of approximately HK\$4,500,000 standing to the credit of the share premium account of the Company.
- (e) On 29 September 2017, upon its listing on the GEM of the Stock Exchange, the Company issued 150,000,000 new ordinary shares at an offer price of HK\$0.47 each and raised gross proceeds of HK\$70,500,000.

15 RESERVES

Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the Reorganisation.

MANAGEMENT DISCUSSION AND ANALYSIS

Development of business and prospects

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

For the six months ended 30 September 2017, the Group recorded a net loss of approximately HK\$1.2 million as compared to a net profit of approximately HK\$9.0 million for the same period in 2016. The Directors are of the view that the net loss was primarily due to the non-recurring listing expenses of approximately HK\$13.6 million incurred during 2017. Setting aside the listing expenses, the Group's net profit for the six months ended 30 September 2017 would be approximately HK\$12.4 million. In view of the fact that there has been an increasing number of project quotation invitations received by the Group from potential and current customers, and that the net proceeds from the share offer are expected to allow expansion of the Group's operational capacity, the Directors are cautiously optimistic about the Group's business outlook.

Outlook

The Shares were listed on GEM on 29 September 2017 (the "**Listing Date**") by way of share offer (the "**Share Offer**"). The Group always strives to improve our operation efficiency and profitability of our business. The Group plans to expand our fleet of machinery and equipment, which will enhance the basis of our technical capability to bid for future projects. The Group will also proactively seek opportunities to expand our customer base and our market share and undertake more wet trades projects which will enhance value to our shareholders.

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

Financial review

Revenue

For the six months ended 30 September 2017, the Group's revenue amounted to approximately HK\$197.4 million, which increased by 41.3% as compared to the same period in 2016. The increase in revenue was mainly due to increased amounts of contracts awarded during the period in 2017.

Gross profit margin

Our gross profit increased by approximately HK\$6.2 million or 42.5%, from approximately HK\$14.6 million for the six months ended 30 September 2016 to approximately HK\$20.8 million for the six months ended 30 September 2017. The increase in the Group's gross profit was primarily due to the increase in our revenue. The Group's gross profit margin slightly increased from 10.4% for the six months ended 30 September 2016 to 10.5% for the six months ended 30 September 2017.

Other income and gain

Other income and gain increased by approximately HK\$251,000 from approximately HK\$16,000 for the six months ended 30 September 2016 to approximately HK\$267,000 for the six months ended 30 September 2017. The increase was mainly due to the increase in bank interest income.

Administrative and other operating expenses

Administrative and other operating expenses increased by approximately HK\$15.8 million or 415.8% from approximately HK\$3.8 million for the six months ended 30 September 2016 to approximately HK\$19.6 million for the six months ended 30 September 2017. The increase was mainly due to non-recurring listing expenses of approximately HK\$13.6 million incurred for the six months ended 30 September 2017.

Listing expenses

During the six months ended 30 September 2017, the Group recognised non-recurring listing expenses under accrual basis of approximately HK\$13.6 million, as expenses in connection with the Listing on GEM.

Finance costs

Finance costs increased by 787.0% to approximately HK\$204,000 for the six months ended 30 September 2017 from approximately HK\$23,000 for the same period in 2016, which was mainly due to increase in bank overdrafts interest for the six months ended 30 September 2017.

Loss for the period

For the six months ended 30 September 2017, the Group recorded loss attributed to owners of the Company of approximately HK\$1.2 million as compared to profit for the six months ended 30 September 2016 of approximately HK\$9.0 million. The loss was mainly attributable to the non-recurring listing expenses.

Set aside the listing expenses, the Group's net profit for the six months ended 30 September 2017 would be approximately HK\$12.4 million.

Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2017 (six months ended 30 September 2016: HK\$Nil).

Comparison between business objectives with actual business progress

The Company was listed on GEM on 29 September 2017. The period of time from the Latest Practicable Date (that is, 12 September 2017, as defined in the prospectus of the Company dated 19 September 2017 (the “**Prospectus**”)) to 30 September 2017 was relatively short and as at 30 September 2017 as compared to the Latest Practicable Date, no material progress was made in realising the objectives stated in the Prospectus. The Group is in its preliminary stage of implementing its business objectives and strategies as disclosed in the Prospectus. The Group will strive to achieve the milestone events as stated in the Prospectus.

Use of proceeds from the Share Offer

The net proceeds from the Share Offer (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK\$41.3 million which will be used for the intended purposes as set out in the section headed “**Statement of Business Objectives and Use of Proceeds**” of the Prospectus, namely:

- approximately HK\$20.3 million, representing approximately 49.3% of the net proceeds received by the Company, will be earmarked to take out surety bonds issued by banks or authorised insurers in the amount of certain percentage of the contract sum in favour of the Group’s customers for the wet trades projects that the Group plans to tender;
- approximately HK\$8.0 million, representing approximately 19.2% of the net proceeds received by the Company, will be used for expansion of the Group’s workforce to ensure it has sufficient manpower for its newly awarded wet trades projects and projects for which the Group plans to tender;
- approximately HK\$7.7 million, representing approximately 18.7% of the net proceeds received by the Company, will be used for the acquisition of additional forklifts, plaster spraying machines and related parts for the Group’s projects and projects for which the Group plans to tender;
- approximately HK\$3.2 million, representing approximately 7.9% of the net proceeds received by the Company, will be used to repay the Group’s bank overdraft facility; and
- approximately HK\$2.1 million, representing approximately 5.0% of the net proceeds received by the Company, will be used as general working capital of the Group.

As the period of time from the Listing Date to 30 September 2017 was relatively short, there was no utilisation of the proceeds as at 30 September 2017. The net proceeds raised by the Group will be applied in the manner consistent with the proposed allocations.

Capital structure, liquidity and financial resource

The Company was listed on the GEM by way of Share Offer of 150,000,000 Shares at a price of HK\$0.47 per share on 29 September 2017. The net proceeds from the Share Offer amounted to approximately HK\$41.3 million which will be used for the intended purposes as set out in the section headed “**Statement of Business Objectives and Use of Proceeds**” of the Prospectus. The Directors believe that with the new capital from the Share Offer, the Group is in a healthy financial position to expand its business and achieve its business objectives. There has been no change in the capital structure of the Group after the Listing. The capital of the Group only comprises of ordinary shares.

As at 30 September 2017, the Group had total assets of approximately HK\$154.6 million, total liabilities and shareholders’ equity of approximately HK\$54.2 million and HK\$100.4 million, respectively. The Group’s current ratio as at 30 September 2017 was approximately 2.8 compared to 1.6 as at 31 March 2017. The Company was listed on GEM on 29 September 2017. The net proceeds received/receivable from the Share Offer increased our total assets and shareholder’s equity as at 30 September 2017 as compared to 31 March 2017. The increase in total liabilities was primarily due to listing expenses which amounted to approximately of HK\$11.1 million accrued as at 30 September 2017.

The gearing ratio for the Group as at 30 September 2017 was nil (31 March 2017: 15.0%). It was calculated by dividing total obligations under total bank borrowings by total equity as at the end of each reporting period multiplied by 100%.

Material acquisitions and disposals of subsidiaries and affiliated companies

In preparation for the Listing, the Company underwent the Reorganisation, the details of which are set out in the section headed “History, Development and Reorganisation” of the Prospectus. Save as disclosed herein, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2017.

Foreign exchange exposure

Most of our Group’s transactions are mainly denominated in Hong Kong dollars which is the functional and presentation currency of the Group. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

Capital expenditure

Total capital expenditure for the six months ended 30 September 2017 was approximately HK\$24,000, which was used in the purchase of plant and equipment.

Contingent liabilities

As at 30 September 2017, the Group had no significant contingent liabilities.

Commitments

As at 30 September 2017, the Group had no significant capital commitments.

Human resources

As at 30 September 2017, the total number of employees of the Group was 38 (30 September 2016: 43) and the related costs including directors' emoluments incurred during the six months ended 30 September 2017 were approximately HK\$9.0 million (six months ended 30 September 2016: HK\$3.4 million).

Save as disclosed in this announcement, there has been no further material change to the information contained in the Prospectus which necessitates additional disclosure to be made herein.

Events after reporting period

The Group had no significant events after the end of the reporting period of this announcement.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2017, the interests and short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of 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 he/she is taken or deemed to have under such provisions of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO), or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name	Capacity/Nature	Number of Shares held/ interested	Percentage of shareholding
Mr. Tse Chun Yuen (<i>Note</i>)	Interest in a controlled corporation; interest held jointly with another person	450,000,000	75%
Mr. Tse Chun Kuen (<i>Note</i>)	Interest in a controlled corporation; interest held jointly with another person	450,000,000	75%

Note: Land Noble is beneficially owned as to 50% by Mr. Tse Chun Yuen and 50% by Mr. Tse Chun Kuen. On 9 May 2017, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen entered into the an acting in concert confirmation to acknowledge and confirm, among other things, that they are parties acting in concert within the meaning of the Hong Kong Code on Takeovers and Mergers. By virtue of the SFO, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen are deemed to be interested in the Shares held by Land Noble.

Long position in the ordinary shares of associated corporation – Land Noble

Name	Name of associated corporation	Capacity/Nature of interest	Number of shares(s) held	Percentage of interest
Mr. Tse Chun Yuen	Land Noble	Beneficial owner	1	50%
Mr. Tse Chun Kuen	Land Noble	Beneficial owner	1	50%

Save as disclosed above, as at 30 September 2017, none of the Directors and chief executive of the Company had an interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2017, so far as is known to the Directors of the Company, the following persons (other than Directors or chief executive of the Company) had interests and short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

	Capacity/Nature of Interest	Number of shares	Percentage of total issued voting shares
Land Noble	Beneficial owner	450,000,000	75%
Ms. Or So Lan (<i>Note 1</i>)	Interest of spouse	450,000,000	75%
Ms. Yapp Ngi Yang (<i>Note 2</i>)	Interest of spouse	450,000,000	75%

Notes:

1. Ms. Or So Lan is the spouse of Mr. Tse Chun Yuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Yuen is interested in for the purposes of the SFO.
2. Ms. Yapp Ngi Yang is the spouse of Mr. Tse Chun Kuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Kuen is interested in for the purposes of the SFO.

Save as disclosed above, as at 30 September 2017, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section “**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**” above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTEREST OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Kingsway Capital Limited, as at 30 September 2017, save for the compliance adviser agreement dated 16 May 2017 entered into between the Company and Kingsway Capital Limited, neither Kingsway Capital Limited, its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors from the Listing Date up to the date of this announcement.

NO CHANGE IN INFORMATION OF DIRECTORS

During the period from the Listing Date until 30 September 2017, there was no change in the information of Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company complies with the minimum of public float of 25%.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the six months ended 30 September 2017.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the Reorganisation as disclosed in the Prospectus, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2017.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 14 September 2017. No share option has been granted under the Share Option Scheme since its adoption.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieve a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Board has and will continue to review and improve the Company's corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules as its own corporate governance code since the Listing Date. The Company has, so far as applicable, principally complied with the CG Code throughout the period from the Listing Date to 30 September 2017.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board. As at the date of this announcement, the audit committee comprises of three independent non-executive directors, namely Mr. Tang Chi Wai, Mr. Wong Yiu Kwong Kenji and Ms. Chung Lai Ling.

The unaudited interim results of the Company for the six month ended 30 September 2017 have not been audited by the Company's independent auditors, but have been reviewed by the audit committee members who have provided advice and comments thereon.

By order of the Board
Noble Engineering Group Holdings Limited
Tse Chun Yuen
Chairman and Executive Director

Hong Kong, 9 November 2017

As at the date of this announcement, the executive Directors are Mr. Tse Chun Yuen, Mr. Tse Chun Kuen and Ms. Tse Ming Hei; and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.

This announcement will remain on the "Latest Company Announcements" page of the website of the Growth Enterprise Market of the Stock Exchange at www.hkgem.com for at least 7 days from the date of its posting and will be published on the Company's website at www.nobleengineering.com.hk.