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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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**" and together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of the Stock Exchange 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 in this announcement misleading.*

FINANCIAL HIGHLIGHTS

- The Group's total revenue amounted to approximately HK$408.9 million for the year ended 31 March 2018, representing an increase of approximately 43.3% as compared to that for the year ended 31 March 2017.

- The gross profit margin remained stable at 10.4% for the years ended 31 March 2017 and 2018.

- For the year ended 31 March 2018, the Group recorded profit attributed to owners of the Company of approximately HK$13.2 million as compared to profit recorded for the year ended 31 March 2017 of approximately HK$12.6 million. The increase was mainly attributable to the increase in gross profit and the provision reversed for impairment of trade receivables, while partially offset by the non-recurring listing expenses for the year ended 31 March 2018. Setting aside the listing expenses, the Group's net profit for the year ended 31 March 2018 would be approximately HK$26.8 million (2017: HK$17.7 million).

- The Directors do not recommend the payment of final dividend for the year ended 31 March 2018 (2017: Nil).

FINAL RESULTS

The Board of Directors (the "**Board**") of the Company is pleased to announce the consolidated financial results of the Group for the year ended 31 March 2018, together with the comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*5*	**408,944**	285,430
Direct costs		**(366,545)**	(255,612)
Gross profit		**42,399**	29,818
Other income and gain	*5*	**5,392**	71
Administrative and other operating expenses		**(28,909)**	(13,691)
Finance costs	*9*	**(215)**	(177)
Profit before income tax	*6*	**18,667**	16,021
Income tax expense	*10*	**(5,426)**	(3,465)
Profit and total comprehensive income for the year attributable to owners of the Company		**13,241**	12,556
Earnings per share attributable to owners of the Company			
– Basic and diluted earnings per share	*11*	**HK$0.03**	HK$0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Plant and equipment	*14*	**3,379**	2,003
Deferred tax assets	*25*	**–**	179
		3,379	2,182
Current assets			
Gross amounts due from customers for contract work	*16*	**19,074**	28,608
Trade and other receivables	*17*	**63,732**	48,074
Bank balances	*18*	**62,915**	29,389
Restricted cash	*19*	**820**	80
		146,541	106,151
Total assets		**149,920**	108,333
EQUITY			
Equity attributable to owners of the Company			
Capital and reserves			
Share capital	*20*	**6,000**	10,000
Reserves	*21*	**108,831**	31,603
Total equity		**114,831**	41,603

	Notes	**2018**	2017
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	*25*	**402**	–
Current liabilities			
Gross amounts due to customers for contract work	*16*	**3,515**	7,733
Trade and other payables	*23*	**29,096**	29,148
Amounts due to directors	*24*	**–**	20,432
Bank overdrafts		**–**	6,246
Current income tax liabilities		**2,076**	3,171
		34,687	66,730
Total liabilities		**35,089**	66,730
Total equity and liabilities		**149,920**	108,333
Net current assets		**111,854**	39,421
Total assets less current liabilities		**115,233**	41,603

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Share capital HK$'000 (Note 20)	Share premium HK$'000 (Note 21)	Other reserve HK$'000 (Note 21)	Retained earnings HK$'000	Total HK$'000
Balance as at 1 April 2016	–	–	–	19,047	19,047
Issue of ordinary shares	10,000	–	–	–	10,000
Profit and total comprehensive income for the year	–	–	–	12,556	12,556
Balance as at 31 March 2017	10,000	–*	–*	31,603*	41,603
Balance as at 1 April 2017	10,000	–	–	31,603	41,603
Profit and total comprehensive income for the year	–	–	–	13,241	13,241
Reorganisation	(10,000)	–	10,000	–	–
Shares 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 as at 31 March 2018	**6,000**	**53,987***	**10,000***	**44,844***	**114,831**

* These reserve accounts comprise the consolidated reserves of approximately HK$108,831,000 (2017: approximately HK$31,603,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Cash flows from operating activities			
Cash generated from/(used in) operations	*27*	**8,388**	(3,664)
Tax paid		**(5,940)**	(4,172)
Net cash generated from/(used in) operating activities		**2,448**	(7,836)
Cash flows from investing activities			
Interest received		**226**	–
Decrease in amounts due from directors		**–**	14,032
Purchases of plant and equipment		**(2,243)**	(1,188)
Proceeds from disposal of plant and equipment		**1**	–
Net cash (used in)/generated from investing activities		**(2,016)**	12,844
Cash flows from financing activities			
Interest paid		**(215)**	(177)
(Decrease)/Increase in amounts due to directors		**(20,432)**	30,432
Decrease in amount due to a related company		**–**	(36,543)
Proceeds from share offer		**59,987**	–
Repayments of finance leases liabilities		**–**	(979)
Net cash generated from/(used in) financing activities		**39,340**	(7,267)
Net increase/(decrease) in cash and cash equivalents		**39,772**	(2,259)
Cash and cash equivalents at beginning of the year		**23,143**	25,402
Cash and cash equivalents at end of the year		**62,915**	23,143
Analysis of balances of cash and cash equivalents			
Bank balances	*18*	**62,915**	29,389
Bank overdrafts		**–**	(6,246)
		62,915	23,143

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Noble Engineering Group Holdings Limited is an investment holding company. The Company and its subsidiaries is principally engaged in provision of wet trades works services.

The Company was incorporated in the Cayman Islands on 12 April 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the GEM of the Stock Exchange with effect from 29 September 2017.

As at 31 March 2018, its parent and ultimate holding company is Land Noble Holdings Limited ("**Land Noble**"), a company incorporated in the British Virgin Islands (the "**BVI**") and owned as to 50% by Mr. Tse Chun Yuen ("**Mr. Eric Tse**") and 50% by Mr. Tse Chun Kuen ("**Mr. CK Tse**").

The addresses of the registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Room 809, 8/F., Cheung Sha Wan Plaza, Tower II, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the GEM of the Stock Exchange (the "**Reorganisation**"), the group entities were under the control of Mr. Eric Tse and Mr. CK Tse. 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 the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the years 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. Eric Tse and Mr. CK Tse prior to and after the Reorganisation.

The consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the years presented in accordance with Accounting Guideline 5 "*Merger Accounting for Common Control Combinations*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years presented, which include the results, changes in equity and cash flows of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the years presented, or since their respective dates of incorporation, where this is a shorter period. The consolidated statement of financial position as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at that date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA. The consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements set out in this announcement have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 Change in accounting policy and disclosures

(a) New and amended standards adopted by the Group

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

(b) *New standards and interpretations not yet adopted*

The following new standards, amendments and interpretations to existing standards have been published but not yet effective for the financial year beginning 1 April 2017 or after and which the Group has not early adopted.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[2]
HK(IFRIC) – Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Interpretation 23	Uncertainty over Income Tax Treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018.

2 Effective for annual periods beginning on or after 1 January 2019.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 "*Financial instruments*"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income ("**FVTOCI**") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "*Financial instruments: Recognition and measurement*" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an economic relationship. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company are assessing the impact of HKFRS 9 but anticipate that the application of HKFRS 9 in the future will have no material impact on the consolidated financial statements.

HKFRS 15 "*Revenue from Contracts with Customers*"

HKFRS 15 was issued establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue guidance including HKAS 18 "*Revenue*", HKAS 11 "*Construction Contracts*" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the HKFRS 15 introduces a 5-step approach revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. More prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The standard permits either a full retrospective or modified retrospective approach for the adoption.

The directors of the Company do not expect the adoption of HKFRS 15 would result in significant impact on the amounts reported on the consolidated financial statements. However, there will be additional qualitative and quantitative disclosures upon the adoption of HKFRS 15.

HKFRS 16 "*Leases*"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these consolidated financial statements.

Total operating lease commitment of the Group as at 31 March 2018 amounted to approximately HK$379,000 (Note 28). The directors of the Group do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Except for the above, the directors of the Company do not anticipate that the application of the new and revised HKFRSs listed above will have a material impact on the consolidated financial statements.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(a) Business combinations

Except for the Reorganisation, the Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(b) Transaction with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Merger accounting for common control combinations

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The combined statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

2.6 Plant and equipment

The plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or lease term, where applicable, as follows:

Office equipment	20%
Motor vehicles	25%
Machinery and equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.9 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "bank balances" and "restricted cash" in the consolidated statement of financial position.

2.10 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "**loss event**") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2.11 Gross amounts due from/to customers for contract work

A construction contract is defined in HKAS 11 as a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, and the stage of completion are measured based on surveys of work performed. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The Group presents as an asset the gross amounts due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within "trade and other receivables".

The Group presents as a liability the gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.12 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred taxation liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits

The Group operates defined contribution plans and pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

2.20 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivables for the sale of services in the ordinary course of the Group's activities. Revenue is shown after eliminating sales within the Group.

Revenue from contract work is recognised based on the percentage of completion of the contracts, provided that the percentage of contract completion and the gross billing value of contracting work can be measured reliably. The percentage of completion of a contract is established by reference to the construction works certified by the customer.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

2.23 Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: cash flow and fair value interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Cash flow and fair value interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank overdrafts. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the Hong Kong dollar prime rate arising from the Group's Hong Kong dollar denominated bank overdrafts.

The Group currently does not have a formal interest rate hedging policy in relation to cash flow and fair value interest rate risks as the management considers that such risks are insignificant to the Group. The management monitors the Group's exposure on an ongoing basis and will consider hedging the interest rate when the need arises.

As at 31 March 2018, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit before tax for the year ended 31 March 2018 would have been decreased/ increased by Nil (2017: approximately HK$62,000). The sensitivity analysis has been determined assuming that the change in interest rates had occurred throughout the year end had been applied to the exposure to interest rate risk for variable-rate bank overdrafts in existence at the end of the reporting period. The 100 basis points increased/decreased represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group over the period until the end of next reporting period.

(ii) Credit risk

Credit risk arises mainly from trade and other receivables, restricted cash and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The credit risk of bank balances is limited because the counterparties are banks with sound credit ratings assigned by international credit-rating agencies.

In respect of trade and other receivables, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivable balance at the end of the reporting period to ensure adequate impairment losses are made for irrecoverable amounts.

As at 31 March 2018, there was one customer (2017: Nil) which individually contributed over 10% of the Group's trade and other receivables. The aggregate amounts of trade and other receivables from this customer amounted to 23.9% (2017: Nil) of the Group's total trade and other receivables as at 31 March 2018.

(iii) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the reporting date) and the earliest date the Group may be required to pay.

	On demand or within one year *HK$'000*	Between one and two years *HK$'000*	Between two and five years *HK$'000*	Total *HK$'000*
As at 31 March 2018				
Trade and other payables excluding non-financial liabilities	**29,096**	**–**	**–**	**29,096**
As at 31 March 2017				
Trade and other payables excluding non-financial liabilities	29,148	–	–	29,148
Amounts due to directors	20,432	–	–	20,432
Bank overdrafts	6,246	–	–	6,246
	55,826	–	–	55,826

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the total interest-bearing liabilities divided by the total equity.

The gearing ratios of the Group are as follows:

	2018 ***HK$'000***	2017 *HK$'000*
Bank overdrafts	**–**	6,246
Total debt	**–**	6,246
Total equity	**114,831**	41,603
Gearing ratio	**N/A**	15.0%

3.3 Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximately their respective fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Percentage of completion of construction works

The Group recognises its contract revenue according to the percentage of work performed to date of the individual contract of construction works as a percentage of total contract value. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting period and actual cost or revenue may be higher or lower than estimated at the end of the reporting period, which could affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date. The Group reviews and revises the estimates of contract revenue, contract costs and variation orders prepared for each construction contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue.

5. REVENUE, OTHER INCOME AND GAIN AND SEGMENT INFORMATION

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 reporting period are as follows:

	2018	2017
	HK$'000	*HK$'000*
Revenue		
Provision of wet trades works services	**408,944**	285,430
Other income and gain		
Bank interest income	**228**	–
Gain on disposal of plant and equipment	**1**	–
Others	**54**	71
Provision reversed for impairment of trade receivables *(Note 17)*	**5,109**	–
	5,392	71

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 consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer (a)[2]	**206,667**	73,960
Customer (b)	**N/A[1]**	75,364
Customer (c)[2]	**85,324**	N/A[1]
Customer (d)	**N/A[1]**	42,016

[1] The corresponding revenue did not contribute over 10% of total revenue of the Group.

[2] The above customers represent a collective of companies within a group.

6. PROFIT BEFORE INCOME TAX

	2018	2017
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Depreciation of assets under finance leases	**–**	413
Depreciation of owned assets	**867**	271
	867	684
Less: Amount included in gross amounts due from/(to) customers for contract work	**(31)**	(35)
	836	649
Operating lease rental in respect of machinery and equipment	**396**	312
Add/(less): Amount included in gross amounts due from/(to) customers for contract work	**39**	(161)
	435	151
Auditors' remuneration	**1,000**	32
Listing expenses	**13,581**	5,099
Operating lease rental in respect of		
– Premises	**632**	180
– Car parks	**64**	–
Provision for impairment of trade receivables *(Note 17(b))*	**2,513**	2,665
Staff costs, including directors' emoluments *(Note 7)*	**18,851**	13,806

7. EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2018	2017
	HK$'000	*HK$'000*
Salaries and allowances	**17,202**	16,995
Retirement scheme contributions		
– defined contribution plan	**610**	563
	17,812	17,558
Add/(less): Amount included in gross amounts due from/(to) customers for contract work	**1,039**	(3,752)
	18,851	13,806

The Group operates defined contribution schemes in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. All assets under the schemes are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance.

8. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and chief executive for the year ended 31 March 2018 and 2017 is set out below:

	Fee	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 March 2018					
Executive directors					
Mr. Eric Tse *(Note (i))*	–	**840**	–	–	**840**
Mr. CK Tse *(Note (i))*	–	**840**	–	–	**840**
Ms. Tse Ming Hei ("**Ms. Tse**") *(Note (i))*	–	**480**	**60**	**18**	**558**
Independent non-executive directors					
Mr.Tang Chi Wai *(Note (ii))*	**100**	–	–	–	**100**
Ms. Chung Lai Ling *(Note (ii))*	**100**	–	–	–	**100**
Mr. Wong Yiu Kwong Kenji *(Note (ii))*	**100**	–	–	–	**100**
	300	**2,160**	**60**	**18**	**2,538**

	Fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2017					
Directors					
Mr. Eric Tse *(Note (i))*	–	600	–	–	600
Mr. CK Tse *(Note (i))*	–	600	–	8	608
Ms. Tse *(Note (i))*	–	223	54	12	289
	–	1,423	54	20	1,497

During the year ended 31 March 2018, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2017: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year ended 31 March 2018 (2017: Nil).

Notes:

(i) Mr. Eric Tse, Mr. CK Tse and Ms. Tse were appointed as directors of the Company on 12 April 2017 and redesignated as executive directors of the Company on 14 September 2017. Ms. Tse is also the chief executive officer of the Company. They were also directors of certain subsidiaries of the Company and/or employees of the Group for the year ended 31 March 2018 and 2017 and the Group paid emoluments to them in their capacity as the directors of these subsidiaries and/or employees of the Group before their appointment as executive directors of the Company.

(ii) Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai were appointed as independent non-executive directors of the Company on 11 September 2017. During the year ended 31 March 2017, the aforesaid independent non-executive directors have not yet been appointed and received no directors' remuneration in their capacity as directors.

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, two of them are directors for the year ended 31 March 2018 (2017: one), whose emoluments are disclosed above. The emoluments in respect of the remaining three individuals for the year ended 31 March 2018 are as follows (2017: four):

	2018	2017
	HK$'000	*HK$'000*
Salaries and allowances	**1,491**	1,654
Discretionary bonuses	**460**	1,453
Retirement scheme contributions	**54**	66
	2,005	3,173

The emoluments of each of the above non-directors, highest paid individuals were below HK$1,000,000. During the year ended 31 March 2018 and 2017, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) compensation for loss of office as a director or management of any members of the Group.

9. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on finance leases	**–**	46
Interest on bank overdrafts	**215**	131
	215	177

10. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong for the year.

	2018	2017
	HK$'000	*HK$'000*
Hong Kong profits tax		
Current tax on profits for the year	**4,887**	3,756
Adjustment in respect of prior year	**(42)**	–
Current income tax	**4,845**	3,756
Deferred income tax *(Note 25)*	**581**	(291)
Income tax expense	**5,426**	3,465

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2018	2017
	HK$'000	*HK$'000*
Profit before income tax	**18,667**	16,021
Calculated at a tax rate of 16.5%	**3,080**	2,643
Tax effects of:		
– Income not subject to tax	**(38)**	–
– Expenses not deductible for tax purposes	**2,242**	842
Tax losses for which no deferred income tax asset was recognised	**214**	–
Adjustment in respect of prior year	**(42)**	–
Tax concession	**(30)**	(20)
Income tax expense	**5,426**	3,465

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2018	2017
Profit attributable to owners of the Company *(HK$'000)*	**13,241**	12,556
Weighted average number of ordinary shares in issue (thousands of shares) *(Note (a))*	**525,616**	450,000
Basic earnings per share *(HK$)*	**0.03**	0.03

(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 been 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 year ended 31 March 2018.

12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

13. SUBSIDIARIES

The following is a list of the subsidiaries as at 31 March 2018 and 2017:

Name of subsidiary	**Legal form, date and place of incorporation/operations**	**Issued and fully paid up share capital**	**Proportion ownership interest held by the Company**	**Principal activities**
Noble Wisdom Holdings Limited ("**Noble Wisdom**")	Limited liability company incorporated on 5 January 2017, the BVI	US$4.00	100% (direct)	Investment holding
Eric Tse Cement Works Company Limited ("**Eric Tse Cement Works**")	Limited liability company incorporated on 8 October 1997, Hong Kong	HK$10,000,000.00	100% (indirect)	Provision of wet trades works services

14. PLANT AND EQUIPMENT

	Office equipment *HK$'000*	Motor vehicles *HK$'000*	Machinery and equipment *HK$'000*	Total *HK$'000*
Cost				
As at 1 April 2016	6	1,319	1,892	3,217
Additions	199	–	1,146	1,345
As at 31 March 2017	205	1,319	3,038	4,562
Accumulated depreciation				
As at 1 April 2016	–	960	915	1,875
Charge for the year	14	215	455	684
As at 31 March 2017	14	1,175	1,370	2,559
Net book value				
As at 31 March 2017	191	144	1,668	2,003
Cost				
As at 1 April 2017	205	1,319	3,038	4,562
Additions	32	–	2,211	2,243
Disposal	–	–	(168)	(168)
As at 31 March 2018	**237**	**1,319**	**5,081**	**6,637**
Accumulated depreciation				
As at 1 April 2017	14	1,175	1,370	2,559
Charge for the year	45	113	709	867
Disposal	–	–	(168)	(168)
As at 31 March 2018	**59**	**1,288**	**1,911**	**3,258**
Net book value				
As at 31 March 2018	**178**	**31**	**3,170**	**3,379**

15. FINANCIAL INSTRUMENTS BY CATEGORY

	2018	2017
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables		
Trade and other receivables excluding prepayments	**63,245**	47,975
Bank balances	**62,915**	29,389
Restricted cash	**820**	80
	126,980	77,444
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables excluding non-financial liabilities	**29,096**	29,148
Amounts due to directors	**–**	20,432
Bank overdrafts	**–**	6,246
	29,096	55,826

16. GROSS AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2018	2017
	HK$'000	*HK$'000*
Gross amounts due from customers for contract work		
Contract costs incurred plus recognised profits less recognised losses	**563,633**	627,021
Less: Progress billings received and receivables	**(544,559)**	(598,413)
	19,074	28,608
Gross amounts due to customers for contract work		
Progress billings received and receivables	**273,779**	195,793
Less: Contract costs incurred plus recognised profits less recognised losses	**(270,264)**	(188,060)
	3,515	7,733

17. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**20,129**	18,944
Less: Provision for impairment of trade receivables	**(69)**	(2,665)
Trade receivables – net	**20,060**	16,279
Retention receivables *(Note (c))*	**35,246**	28,905
Other receivables, deposits and prepayments	**8,426**	2,890
	63,732	48,074

Notes:

(a) Whilst the credit period granted to customers are ranging from 17 to 35 days generally.

(b) The ageing analysis of the trade receivables based on invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**17,413**	10,291
31 – 60 days	**2,631**	4,375
61 – 90 days	**16**	1,510
Over 90 days	**–**	103
	20,060	16,279

Trade receivables of approximately HK$18,715,000 as at 31 March 2018 were not yet past due (2017: approximately HK$11,743,000), and approximately HK$1,345,000 as at 31 March 2018 were past due but not impaired (2017: approximately HK$4,536,000). These relate to trade receivables from a number of independent customers of whom there is no recent history of default and no provision has therefore been made. The ageing analysis of these trade receivables is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**1,329**	2,924
31 – 60 days	**16**	1,510
61 – 90 days	**–**	–
Over 90 days	**–**	102
	1,345	4,536

Movements in the Group's provision for impairment of trade receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
Provision made for the year *(Note 6)*	**2,513**	2,665
Beginning of the year	**2,665**	–
Provision reversed for the year *(Note 5)*	**(5,109)**	–
End of the year	**69**	2,665

(c) Retention receivables were not past due as at 31 March 2018, and were settled in accordance with the terms of respective contract (2017: Nil).

(d) As at 31 March 2018 and 2017, the Group reviews trade and other receivables for evidence of impairment on both an individual and collective basis. Based on the impairment assessment, provision for impairment of trade receivables are recognised which are in financial difficulties in repaying the outstanding balances. The Group does not hold any collateral as security over these receivables.

(e) The carrying amounts of the Group's trade and other receivables are denominated in HK$.

(f) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

18. BANK BALANCES

	2018	2017
	HK$'000	*HK$'000*
Cash at banks	**57,915**	29,389
Short-term bank deposit	**5,000**	–
	62,915	29,389

Notes:

(a) The cash and cash equivalents are denominated in HK$.

(b) Cash at banks earns interest at floating rates based on daily bank deposit rates.

(c) Short-term deposit held at bank is not pledged to secure any facilities of the Group. The effective interest rate on the deposit is 0.8% as at 31 March 2018 and is mature in June 2018 (2017: Nil).

19. RESTRICTED CASH

Restricted cash represent deposits held at an insurance company for faithful of performance in according to the contract between the Group and the customer.

20. 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:

	Notes	**Number of ordinary shares**	**Share Capital** *HK$'000*
Ordinary shares of HK$0.01 each			
Authorised:			
As at 1 April 2016 and 31 March 2017		–	–
Upon incorporation of the Company on 12 April 2017	*(a)*	10,000,000	100
Increase in number of authorised shares	*(b)*	1,490,000,000	14,900
As at 31 March 2018		**1,500,000,000**	**15,000**
Issued and fully paid:			
As at 1 April 2016 and 31 March 2017		–	–
Upon incorporation of the Company on 12 April 2017	*(a)*	1	–
Shares issued upon the Reorganisation	*(c)*	9,999	–
Shares issued pursuant to the capitalisation issue	*(d)*	449,990,000	4,500
Shares issued pursuant to the share offer	*(e)*	150,000,000	1,500
As at 31 March 2018		**600,000,000**	**6,000**

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 from Mr. Eric Tse and Mr. CK Tse 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 approximately HK$70,500,000.

21. 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.

22. SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 14 September 2017. The Scheme is to attract and retain the best personnel, to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants, advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors of the Company (or as the case maybe, the independent non-executive directors of the Company) from time to time on the basis of the directors' opinion as to their contribution or potential to the development and growth of the Group.

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at anytime by approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's 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 the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the total number of shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including lapsed or exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

Share options granted 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 of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 21 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 21 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 14 September 2017, subject to early termination provisions contained in the Scheme.

No share options were granted, exercised, cancelled or lapsed since the adoption of the Scheme and there were no share option outstanding as at 31 March 2018.

23. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**26,018**	27,884
Accruals and other payables	**3,078**	1,264
	29,096	29,148

Notes:

(a) Payment terms granted by suppliers of materials and subcontractors are ranging from 0 to 30 days generally.

The ageing analysis of trade payables based on the invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 30 days	**25,692**	22,423
31 – 60 days	**107**	1,715
61 – 90 days	**219**	1,150
Over 90 days	**–**	2,596
	26,018	27,884

(b) All trade and other payables are denominated in HK$.

24. AMOUNTS DUE TO DIRECTORS

	2018	2017
Name of directors	***HK$'000***	*HK$'000*
Mr. Eric Tse	**–**	10,216
Mr. CK Tse	**–**	10,216
	–	20,432

The balances are denominated in HK$. The amounts due to directors are non-trade nature, unsecured, interest-free and repayable on demand.

25. DEFERRED INCOME TAX

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the reporting period are as follows:

	Provision for impairment of trade receivables *HK$'000*	Tax depreciation *HK$'000*	Total *HK$'000*
Deferred tax arising from:			
As at 1 April 2016	–	(112)	(112)
Credited/(Charged) to profit or loss *(Note 10)*	440	(149)	291
As at 31 March 2017 and 1 April 2017	440	(261)	179
Charged to profit or loss *(Note 10)*	(428)	(153)	(581)
As at 31 March 2018	**12**	**(414)**	**(402)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of the tax losses as the directors of the Company consider that it is uncertain as to the extent that future profits will be available against which tax losses can be utilised in the foreseeable future.

As at 31 March 2018, the Group has unused tax losses of approximately HK$1,299,000 (2017: Nil), which are available for offset against future profits that may be carried forward indefinitely and are subject to approval from the Hong Kong Inland Revenue Department.

26. BANKING FACILITIES

As at 31 March 2018, the Group has unutilised bank overdraft facilities of approximately HK$20,000,000, which were secured by the unlimited corporate guarantee and indemnity executed by the Company.

As at 31 March 2017, the Group has unutilised bank overdraft facilities of approximately HK$13,754,000 which were secured by car parking spaces and properties owned by Mr. Eric Tse, Mr. CK Tse and their spouses, and personal guarantee granted by Mr. Eric Tse and Mr. CK Tse. The secured car parking spaces and properties owned by Mr. Eric Tse, Mr. CK Tse and their spouses, and personal guarantees granted by Mr. Eric Tse and Mr. CK Tse were released in September 2017.

As at 31 March 2018, the bank overdrafts are carrying interest at a rate of 0.5% over the prime rate of the relevant bank per annum (2017: 0.5% over the prime rate).

27. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to cash generated from operations

	2018	2017
	HK$'000	*HK$'000*
Profit before income tax	**18,667**	16,021
Adjustments for:		
Depreciation of plant and equipment	**836**	649
Provision for impairment of trade receivables	**2,513**	2,665
Interest expense	**215**	177
Interest income	**(228)**	–
Gain on disposal of plant and equipment	**(1)**	–
Provision reversed for impairment of trade receivables	**(5,109)**	–
Operating profit before changes in working capital	**16,893**	19,512
Decrease/(Increase) in gross amounts due from customers for contract work	**9,511**	(17,496)
Increase in trade and other receivables	**(13,060)**	(15,032)
Increase in restricted cash	**(740)**	(80)
(Decrease)/Increase in gross amounts due to customers for contract work	**(4,164)**	256
(Decrease)/Increase in trade and other payables	**(52)**	9,176
Cash generated from/(used in) operations	**8,388**	(3,664)

(b) Non-cash transactions

During the year ended 31 March 2018, none of the additions to plant and equipment were financed by finance lease arrangements (2017: approximately HK$157,000).

(c) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flow will be classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	As at 1 April 2017	**Cash flows**	**As at 31 March 2018**
	HK$'000	*HK$'000*	*HK$'000*
Amounts due to directors	20,432	(20,432)	–

28. COMMITMENTS

Operating lease commitments — Group as lessee

As at the reporting date, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	2018	2017
	HK$'000	*HK$'000*
Within one year	**379**	681
In the second to fifth years inclusive	**–**	379
	379	1,060

The Group is the lessee in respect of premises under operating leases. The leases typically run for initial periods of approximately 2 years, with an option to renew the leases when all terms are renegotiated.

29. RELATED PARTY TRANSACTION

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) Save as disclosed in Notes 24 and 26 to the consolidated financial statements, the Group did not have any significant related party transaction with related parties during the years ended 31 March 2018 and 2017.

(b) The emoluments of the directors and senior executives (representing the key management personnel) during the years ended 31 March 2018 and 2017 are disclosed in Note 8.

30. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2018
	HK$'000
Non-current assets	
Investments in subsidiaries	**41,500**
Current assets	
Prepayment	**237**
Amount due from a subsidiary	**15,408**
Bank balances	**29,689**
	45,334
Total assets	**86,834**
EQUITY	
Capital and reserves	
Share capital	**6,000**
Reserve *(Note (a))*	**80,834**
Total equity	**86,834**
Total equity and liabilities	**86,834**
Net current assets	**45,334**
Total assets less current liabilities	**86,834**

Note (a) Reserve of the Company

	Share premium	Other reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance as at 12 April 2017 (date of incorporation)	–	–	–	–
Profit and total comprehensive income for the period	–	–	(14,653)	(14,653)
Reorganisation	–	41,500	–	41,500
Shares issued pursuant to the capitalisation issue	(4,500)	–	–	(4,500)
Shares issued pursuant to the share offer	69,000	–	–	69,000
Shares issuance costs	(10,513)	–	–	(10,513)
Balance as at 31 March 2018	**53,987**	**41,500**	**(14,653)**	**80,834**

MANAGEMENT DISCUSSION AND ANALYSIS

DEVELOPMENT OF BUSINESS AND PROSPECTS

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

For the year ended 31 March 2018, the Group recorded a net profit of approximately HK$13.2 million as compared to a net profit of approximately HK$12.6 million for the same period in 2017. The Directors are of the view that the increase of net profit was mainly attributable to the increase in revenue and the provision reversed for impairment of trade receivables, while partially offset by the non-recurring listing expenses for the year ended 31 March 2018. Setting aside the listing expenses, the Group's net profit for the year ended 31 March 2018 would be approximately HK$26.8 million (2017: HK$17.7 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 Listing are expected to allow expansion of the Group's operational capacity, the Directors are cautiously optimistic about the Group's business outlook.

OUTLOOK

The Company's shares (the "**Shares**") were listed on GEM on 29 September 2017 by way of share offer (the "**Share Offer**"). The Group always strives to improve our operation efficiency and profitability. The Group plans to expand our fleet of machinery and equipment, which will enhance the basis of our technical capability to bid 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 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 year ended 31 March 2018, the Group's revenue amounted to approximately HK$408.9 million, which increased by approximately 43.3% as compared to the same period in 2017. The increase in revenue was mainly due to increased amounts of contracts awarded during the year ended 31 March 2018.

Gross profit margin

Our gross profit increased by approximately HK$12.6 million or 42.3%, from approximately HK$29.8 million for the year ended 31 March 2017 to approximately HK$42.4 million for the year ended 31 March 2018. The increase in the Group's gross profit was primarily due to the increase in our revenue. The Group's gross profit margin remained stable at 10.4% for the years ended 31 March 2017 and 2018.

Other income and gain

Other income and gain increased by approximately HK$5.3 million from approximately HK$71,000 for the year ended 31 March 2017 to approximately HK$5.4 million for the year ended 31 March 2018. The increase was mainly due to the increase in bank interest income and provision reversed for impairment of trade receivables.

Administrative and other operating expenses

Administrative and other operating expenses increased by approximately HK$15.2 million or 110.9% from approximately HK$13.7 million for the year ended 31 March 2017 to approximately HK$28.9 million for the year ended 31 March 2018. The increase was mainly due to non-recurring listing expenses of approximately HK$13.6 million (2017: HK$5.1 million) incurred for the year ended ended 31 March 2018.

Listing expenses

During the year ended 31 March 2018, the Group recognised non-recurring listing expenses under accrual basis of approximately HK$13.6 million (2017: HK$5.1 million), as expenses in connection with the Listing on GEM.

Finance costs

Finance costs increased by 21.5% to approximately HK$215,000 for the year ended 31 March 2018 from approximately HK$177,000 for the same period in 2017, which was mainly due to increase in bank overdrafts interest for the year ended 31 March 2018.

Profit for the year

For the year ended 31 March 2018, the Group recorded profit attributed to owners of the Company of approximately HK$13.2 million as compared to profit recorded for the year ended 31 March 2017 of approximately HK$12.6 million. The increase was mainly attributable to the increase in gross profit and the provision reversed for impairment of trade receivables, while partially offset by the non-recurring listing expenses for the year ended 31 March 2018.

Setting aside the listing expenses, the Group's net profit for the year ended 31 March 2018 would be approximately HK$26.8 million (2017: HK$17.7 million).

Final dividend

The Directors do not recommend the payment of final dividend for the year ended 31 March 2018 (2017: Nil).

Capital structure

The Shares were 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. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement.

Liquidity, financial resource and funding

We financed our operations primarily through cash generated from our operating activities. During the year ended 31 March 2018, we did not have any bank borrowings. As at 31 March 2018, we had cash and cash equivalents of approximately HK$62.9 million (2017: approximately HK$23.1 million), which comprised bank balances and bank overdrafts.

Our primary uses of cash and cash equivalents have been and are expected to continue to be operating costs and capital expenditure.

Gearing ratio

The gearing ratio for the Group as at 31 March 2018 was nil (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%.

Treasury policy

The Directors will continue to follow a prudent policy in managing the Group's cash and bank balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In preparation for the Listing, the Company underwent a corporate reorganisation (the "**Reorganisation**"), the details of which are set out in the section headed "History, Development and Reorganisation" of the prospectus of the Company dated 19 September 2017 (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 year ended 31 March 2018.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 March 2018, there was no significant investment held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and in this announcement, the Group did not have other plans for material investments or capital assets as of 31 March 2018.

FOREIGN EXCHANGE EXPOSURE

Most of our Group's transactions are 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 does not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

CHANGE OF GROUP ASSETS

As at 31 March 2018, no asset of the Group was pledged as security for bank borrowing or any other financing facilities (2017: Nil).

CAPITAL EXPENDITURE

Total capital expenditure for the year ended 31 March 2018 was approximately HK$2.2 million, which was used in the purchase of plant and equipment.

CONTINGENT LIABILITIES

As at 31 March 2018, the Group had no significant contingent liabilities.

COMMITMENTS

As at 31 March 2018, the Group had no significant capital commitments.

USE OF PROCEEDS

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK$41.3 million. After the Listing, a part of these proceeds has been applied in accordance with the future plans and use of proceeds as set out in the Prospectus.

An analysis of the utilisation of net proceeds from the Listing as at 31 March 2018 is set out below:

	Planned use of net proceeds up to 31 March 2018	**Actual use of net proceeds up to 31 March 2018**
	HK$ million	*HK$ million*
Taking out surety bonds for contracts we plan to tender	7.0	–
Further strengthening our manpower	3.0	0.5
Acquisition of machinery and equipment	2.0	2.2
Repayment of bank overdraft facility	3.2	3.2
General working capital	2.1	2.1

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

EVENTS AFTER REPORTING PERIOD

The Group had no significant events from the end of the reporting period to the date of this announcement.

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 of directors of the Company (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 31 March 2018.

DIRECTORS' SECURITIES TRANSACTIONS

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 of the Company (the "**Required Standard of Dealing**"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and there was no event of non-compliance during the year ended 31 March 2018.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statement of profit or loss and other comprehensive income of this announcement. The state of affairs of the Group as at 31 March 2018 are set out in the consolidated statement of financial position. The Directors do not recommend the payment of a final dividend for the year ended 31 March 2018.

NON-COMPETITION UNDERTAKINGS

Each of Mr. Tse Chun Yuen, Mr. Tse Chun Kuen and Land Noble (together called, the "**Covenanting Shareholders**") has confirmed to the Company of their respective due compliance with the terms of the Deed of Non-Competition since the Listing Date and up to the date of this announcement.

Our independent non-executive Directors have reviewed compliance of the Deed of Non-Competition and were satisfied that the terms of the Deed of Non-Competition had been duly complied with and enforced since the Listing Date and up to the date of this announcement.

During the year ended 31 March 2018, the Board had not received any written confirmation from any of our Directors in respect of interest in any business (other than our Group) which is or is likely to be directly or indirectly in competition with our business.

INTEREST OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, Kingsway Capital Limited (the "**Compliance Adviser**"), save as to the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 16 May 2017, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company maintained the public float as required under the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 March 2018, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The financial information has been reviewed by the Audit Committee.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2018 as set out in this announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong

Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company for the year ended 31 March 2018 (the "**Meeting**") will be held on Friday, 27 July 2018. The notice convening the Meeting will be published and despatched to the Shareholders on or around 27 June 2018.

In order to ascertain the Shareholders' entitlements to attend and vote at the Meeting, the transfer book and register of members of the Company will be closed from Tuesday, 24 July 2018 to Friday, 27 July 2018, both days inclusive. During such period, no share transfer will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 July 2018.

ANNUAL REPORT

The annual report of the Company for the year ended 31 March 2018 containing all the information required by the GEM Listing Rules will be published on the respective websites of the Stock Exchange and the Company, and copies will be despatched to the Shareholders in due course.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

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

Hong Kong, 26 June 2018

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.