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## **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 2024**

### **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 Main Board. 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.*

## FINAL RESULTS

The board of Directors (the “**Board**”) of the Company hereby announces the consolidated financial results of the Group for the year ended 31 March 2024, together with the comparative figures for the year ended 31 March 2023 as follows:

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

*For the year ended 31 March 2024*

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>320,746</b>	237,211
Direct costs		<u>(319,110)</u>	<u>(235,676)</u>
<b>Gross profit</b>		<b>1,636</b>	1,535
Other income and gain	5	<b>258</b>	64
Administrative and other operating expenses		<b>(13,842)</b>	(13,292)
Finance costs	6	<u>(27)</u>	<u>(4)</u>
<b>Loss before tax</b>		<b>(11,975)</b>	(11,697)
Income tax credit	7	<u><b>181</b></u>	<u>86</u>
<b>Loss and total comprehensive expense for the year attributable to owners of the Company</b>	8	<u><b>(11,794)</b></u>	<u>(11,611)</u>
<b>Loss per share</b>	11		
– Basic and diluted (HK\$)		<u><b>(0.04)</b></u>	<u>(0.05)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2024*

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Plant and equipment		<b>1,229</b>	757
Right-of-use asset		<b>345</b>	334
Equity investment at fair value through other comprehensive income	<i>12</i>	<b>70</b>	70
Deferred tax assets		<b>536</b>	355
		<b>2,180</b>	1,516
<b>Current assets</b>			
Contract assets	<i>13</i>	<b>53,868</b>	49,434
Trade and other receivables	<i>14</i>	<b>22,563</b>	18,849
Bank and cash balances		<b>35,065</b>	47,296
		<b>111,496</b>	115,579
<b>Current liabilities</b>			
Trade and other payables	<i>15</i>	<b>26,184</b>	25,848
Lease liabilities		<b>313</b>	175
		<b>26,497</b>	26,023
<b>Net current assets</b>		<b>84,999</b>	89,556
<b>Total assets less current liabilities</b>		<b>87,179</b>	91,072
<b>Non-current liabilities</b>			
Lease liabilities		<b>40</b>	159
<b>NET ASSETS</b>		<b>87,139</b>	90,913
<b>Capital and reserves</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>13,819</b>	12,564
Reserves		<b>73,320</b>	78,349
<b>TOTAL EQUITY</b>		<b>87,139</b>	90,913

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2024*

## 1. GENERAL INFORMATION

The Noble Engineering Group Holdings Limited (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 are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 29 September 2017. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room 9, 25/F., CRE Centre, 889 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of wet trade works service.

In the opinion of the Directors of the Company, as at 31 March 2024, Land Noble Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), is the immediate and ultimate parent; Mr. Tse Chun Yuen and Mr. Tse Chun Kuen are the ultimate controlling parties of the Company.

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the consolidated financial statements of the Group.

## 3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgements in the process of applying the accounting policies.

#### 4. REVENUE AND SEGMENT INFORMATION

	2024 HK\$'000	2023 HK\$'000
Provision of wet trades works services	<u>320,746</u>	<u>237,211</u>
Revenue from contracts with customers	<u><u>320,746</u></u>	<u><u>237,211</u></u>
Disaggregation of revenue from contracts with customers:		
	Wet trades works services	2024
Segments	business	Total
	HK\$'000	HK\$'000
<i>Geographical markets</i>		
Hong Kong	<u><u>320,746</u></u>	<u><u>320,746</u></u>
<i>Major products/service</i>		
Provision of wet trades works services	<u><u>320,746</u></u>	<u><u>320,746</u></u>
<i>Timing of revenue recognition</i>		
Over time	<u><u>320,746</u></u>	<u><u>320,746</u></u>
	Wet trades works services	2023
Segments	business	Total
	HK\$'000	HK\$'000
<i>Geographical markets</i>		
Hong Kong	<u><u>237,211</u></u>	<u><u>237,211</u></u>
<i>Major products/service</i>		
Provision of wet trades works services	<u><u>237,211</u></u>	<u><u>237,211</u></u>
<i>Timing of revenue recognition</i>		
Over time	<u><u>237,211</u></u>	<u><u>237,211</u></u>

## **Wet trades works services business**

### ***Recognition***

The Group provides wet trades works (including tile laying, brick laying, plastering, floor screeding and marble works) under contracts with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the Group is contractually required to perform the works at the customers' specified sites such that the Group's performance creates or enhances an asset that the customer controls as the Group performs.

Revenue is recognised progressively using output method which recognises revenue on the basis of direct measurements of the value to the customer of the promised goods or services transferred to date relative to the remaining goods or services promised under the contract with the customer. The progress towards complete satisfaction of the performance obligations in the contract is determined based on the value of performance completed to date as a percentage of total transaction price to depict the transfer of control of the goods or services to the customer. The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred. The Directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under HKFRS 15.

### ***Variable consideration***

The Group considers both the terms of the contracts entered into with its customers and its customary business practices to determine the transaction prices for each of its construction projects. The Group determines the transaction price as the amount of consideration to which it expects to be entitled in exchange for transferring promised goods or services to the customer. When estimating transaction prices for construction projects in progress, the Group recognises that the amounts of consideration would vary because of price discounts and rebates, which are usually finalised and agreed with the customers during the final certification stage of the projects. Although such variability relating to the consideration promised by the customers are not explicitly stated in the contracts, the Group considers that the customers have valid expectations arising from customary business practices that the price concessions would be given to the customers at the end of the construction projects. Hence the estimates of variable consideration are typically constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

**Revenue from major customers:**

Revenue from major customers, each of whom amounted to 10% or more of the total revenue, is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	63,377	83,496
Customer B	151,817	75,627
Customer C	43,990	24,587
Customer D	N/A <sup>#</sup>	24,280

The above customer represents a collection of companies within a group. All the revenue are generated from wet trades works services business.

<sup>#</sup> The corresponding revenue did not contribute over 10% of total revenue of the Group.

The chief operating decision-maker has been identified as the board of Directors of the Company. The board of Directors regards the Group's wet trades works services business as a single operating segment and regularly reviews the operating results of the Group as a whole when making decisions about resources to be allocated and assessing its performance. Also, the Group only engages its business in Hong Kong. Therefore, all revenue of the Group is derived from operations carried out in Hong Kong and all non-current assets of the Group are located in Hong Kong. Accordingly, no segment information is presented.

**5. OTHER INCOME AND GAIN**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	150	64
Gain on disposal of plant and equipment	16	–
Government grants ( <i>Note</i> )	87	–
Others	5	–
	<u>258</u>	<u>64</u>

*Note:*

Government grants are under no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Lease interests	26	4
Interest on bank overdrafts	<u>1</u>	<u>–</u>
Total borrowing costs	<u><b>27</b></u>	<u><b>4</b></u>

## 7. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deferred tax	<u>181</u>	<u>86</u>
Total tax credit for the year	<u><b>181</b></u>	<u><b>86</b></u>

No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2024 as the Group did not generate any assessable profits arising in Hong Kong during the year (2023: Nil).

The reconciliation between the income tax credit and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax	<u><b>(11,975)</b></u>	<u><b>(11,697)</b></u>
Tax at the domestic income tax rate of 16.5% (2023: 16.5%)	<b>(1,976)</b>	(1,930)
Tax effect of income that is not taxable	<b>(27)</b>	(1,653)
Tax effect of expenses that are not deductible	–	17
Tax effect of tax losses not recognised	<b>2,217</b>	3,556
Tax effect of temporary differences not recognised	<u><b>(33)</b></u>	<u>96</u>
Income tax credit	<u><b>181</b></u>	<u><b>86</b></u>



## 8. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2024 HK\$'000	2023 HK\$'000
Depreciation of plant and equipment	669	1,111
Auditor's remuneration	700	700
Subcontracting fee included in direct costs	276,527	196,971
Wage subsidies from employment support scheme included in direct costs	–	(10,021)
Provision/(reversal of provision) for loss allowance on financial assets and contract assets	1,298	(45)
Staff costs including directors' emoluments		
Salaries, bonus and allowances	22,583	20,823
Retirement benefits scheme contributions	752	695
	<u>23,335</u>	<u>21,518</u>

## 9. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 11. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$11,794,000 (2023: HK\$11,611,000) and the weighted average number of ordinary shares of approximately 267,396,000 (2023: 239,232,000) in issue during the year.

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 March 2024.

The calculation of the basic and diluted earnings per share is based on the following:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<i>Loss</i>		
Loss for the purpose of calculating basic and diluted earnings per share	<u><b>11,794</b></u>	<u>11,611</u>
	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue during the year for the purposes of the basic and diluted loss per share	<u><b>267,396</b></u>	<u>239,232</u>

*Note:*

The weighted average number of ordinary shares for the year ended 31 March 2024 for the purposes of calculating basic and diluted loss per share have been adjusted for the issue of new shares by way of placement which took place on 10 August 2023.

## 12. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
Equity security, at fair value		
Unlisted equity security	<u><b>70</b></u>	<u>70</u>
Analysed as:		
Non-current assets	<u><b>70</b></u>	<u>70</u>

The above investment is intended to be held for the medium to long-term. Designation of this investment as equity investment at fair value through other comprehensive income can avoid the volatility of the fair value changes of this investment to the profit or loss.

The net assets of the unlisted equity security mainly represent cash and bank balance. The carrying amount of the unlisted equity security approximate its respective fair value.

### 13. CONTRACT ASSETS

Disclosures of revenue-related items:

	As at <b>31 March 2024</b> <i>HK\$'000</i>	As at 31 March 2023 <i>HK\$'000</i>	As at 1 April 2022 <i>HK\$'000</i>
Contract assets – wet trades works services	<b>56,631</b>	51,358	45,777
Provision for loss allowance	<u>(2,763)</u>	<u>(1,924)</u>	<u>(1,940)</u>
Total contract assets	<u><b>53,868</b></u>	<u>49,434</u>	<u>43,837</u>

Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
– 2024	–	128,265
– 2025	<b>219,676</b>	49,203
– 2026	<u><b>100,379</b></u>	<u>–</u>
	<u><b>320,055</b></u>	<u>177,468</u>

Significant changes in contract assets during the year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Increase due to operations in the year	<b>35,680</b>	34,423
(Decrease)/increase due to impairment of contract assets	<b>(839)</b>	16
Transfer of contract assets to receivables	<u><b>(30,407)</b></u>	<u>(28,842)</u>

The Group's contract assets are analysed as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract assets		
Unbilled revenue	25,460	23,158
Retention monies receivables	<u>28,408</u>	<u>26,276</u>
	<u><u>53,868</u></u>	<u><u>49,434</u></u>

The carrying amounts of the Group's contract asset are denominated in HK\$.

Contract assets are initially recognised for revenue earned from contract works as the Group's rights to receive consideration from its customers are conditional upon the completion of surveys of works carried out. Upon completion of the surveys of work, payment certificates would then be issued, upon which the Group's right to consideration become unconditional and the amounts recognised as contract assets are reclassified to trade receivables. Typically, the time interval between the performance of works and the Group's right to consideration becoming unconditional range from 1 to 12 months for the construction contracts engaged by the Group (2023: from 1 to 12 months), except for retention monies receivables (see below).

As at 31 March 2024, the balance of contract assets included retention monies receivables from customers amounting to approximately HK\$28,408,000, net of provision for credit loss allowance (2023: HK\$26,276,000). Retention monies receivables were to be settled in accordance with the terms of respective contract.

The Group generally allows 5% to 10% of total contract price of its contracts as retention (2023: 5% to 10%), which are unsecured, interest-free and recoverable at the completion of the defect's liability period of individual contracts which range from 12 to 24 months from the date of the completion of the respective contract (2023: 12 to 24 months). The Group is responsible for rectifying defects or imperfections in relation to the contract works done which are discovered after completion.

The due date for settlement of the Group's retention monies receivables are based on the completion of defects liability period as at 31 March 2024 and 2023 as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Due within one year	5,738	17,651
Due more than one year	<u>22,670</u>	<u>8,625</u>
	<u><u>28,408</u></u>	<u><u>26,276</u></u>

The entire balance of the Group's retention monies receivables as at 31 March 2024 and 2023 were not yet due. The Group does not hold any collateral over this balance.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all contract assets. To measure the ECL, contract assets have been grouped based on individual risk assessment and/or collectively using a provision matrix with appropriate groupings. The ECL below also incorporate forward looking information.

As at 31 March 2024, specific retention monies receivables with carrying amount of approximately HK\$1,936,000 (2023: HK\$1,536,000) were assessed individually which were considered in default due to indicators and the impairment of approximately HK\$1,936,000 (2023: HK\$1,536,000) were made.

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
ECL rate (average)	<b>4.88%</b>	3.75%
Gross carrying amount	<b>56,631</b>	51,358
ECL	<b><u>2,763</u></b>	<u>1,924</u>

The movement in the provision for loss allowance in respect of contract assets during the years ended 31 March 2024 and 2023 was as follows:

	<b>Lifetime ECL</b> <i>HK\$'000</i>	<b>Lifetime ECL – credit- impaired</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
As at 1 April 2022	109	1,831	1,940
Reversal of impairment for the year	<u>(1)</u>	<u>(15)</u>	<u>(16)</u>
At 31 March 2023 and 1 April 2023	<b>108</b>	<b>1,816</b>	<b>1,924</b>
(Decrease)/increase in loss allowance for the year	<u>(10)</u>	<u>849</u>	<u>839</u>
At 31 March 2024	<b><u>98</u></b>	<b><u>2,665</u></b>	<b><u>2,763</u></b>

#### 14. TRADE AND OTHER RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 17 to 33 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	17,783	12,484
Provision made for the year	<u>(675)</u>	<u>(200)</u>
Carrying amount	<u>17,108</u>	<u>12,284</u>
Other receivables	5,464	6,590
Provision for loss allowance	<u>(9)</u>	<u>(25)</u>
Carrying amount	<u>5,455</u>	<u>6,565</u>
	<u><b>22,563</b></u>	<u><b>18,849</b></u>

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	14,319	10,194
31 to 60 days	2,474	1,632
Over 90 days	<u>315</u>	<u>458</u>
	<u><b>17,108</b></u>	<u><b>12,284</b></u>

Reconciliation of loss allowance for trade receivables:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 April	<b>200</b>	227
Increase/(decrease) in loss allowance for the year	<u><b>475</b></u>	<u>(27)</u>
At 31 March	<u><b>675</b></u>	<u>200</u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current <i>HK\$'000</i>	31 to 60 days past due <i>HK\$'000</i>	61 to 90 days past due <i>HK\$'000</i>	Over 90 days past due <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2024					
Weighted average expected loss rate	<b>0.38%</b>	<b>3.70%</b>	<b>0.00%</b>	<b>62.50%</b>	
Receivable amount	<b>14,374</b>	<b>2,569</b>	–	<b>840</b>	<b>17,783</b>
Loss allowance	<b>55</b>	<b>95</b>	–	<b>525</b>	<b>675</b>
At 31 March 2023					
Weighted average expected loss rate	0.44%	0.61%	0.00%	24.05%	
Receivable amount	10,239	1,642	–	603	12,484
Loss allowance	45	10	–	145	200

Reconciliation of loss allowance for other receivables:

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
At 1 April	<b>25</b>	27
Decrease in loss allowance for the year	<u><b>(16)</b></u>	<u>(2)</u>
At 31 March	<u><b>9</b></u>	<u>25</u>

# 15. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	23,173	24,551
Accruals and other payables	<u>3,011</u>	<u>1,297</u>
	<u><b>26,184</b></u>	<u><b>25,848</b></u>

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	23,087	24,488
31 to 60 days	<u>86</u>	<u>63</u>
	<u><b>23,173</b></u>	<u><b>24,551</b></u>



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

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

For the year ended 31 March 2024, the Group recorded a net loss of approximately HK\$11.8 million as compared to a net loss of approximately HK\$11.6 million for the year ended 31 March 2023.

### **OUTLOOK**

The intense market competition may lead to smaller number of successful tenders and quotations and lower value of contracts awarded to the Group. The Group's gross profit margin is also under pressure from competitive project pricing on tenders and quotations, which in turn affects financial performance of the Group.

In order to maintain its market share in the wet trades works industry, the Group will continue to closely monitor the market and respond to changes in market conditions. The Directors are confident that with the Group's reputation in the wet trades works industry and its experienced management team, the Group is in a good position to compete with its competitors. The Group will continue to improve its competitiveness in the market by continuing to provide quality works to its customers. The Group will also continue to proactively seek opportunities to expand its customer base and its market share and undertake more wet trades projects which will enhance value to the shareholders.

### **FINANCIAL REVIEW**

#### **Revenue**

For the year ended 31 March 2024, the Group's revenue amounted to approximately HK\$320.7 million, which increased by approximately 35.2% as compared to the year ended 31 March 2023. The increase in revenue was primarily attributable to increase in projects awarded.

#### **Gross profit and gross profit margin**

The gross profit of the Group for the year ended 31 March 2024 amounted to approximately HK\$1.6 million, which increased by approximately 6.7% as compared to a gross profit of approximately HK\$1.5 million for the year ended 31 March 2023. The gross profit margin for the year ended 31 March 2024 was approximately 0.5%, compared to the gross profit margin for the year ended 31 March 2023 of approximately 0.6%. The gross profit margin remains stable for the years ended 31 March 2024 and 2023.

## **Other income and gain**

Other income and gain increased by approximately HK\$194,000 from approximately HK\$64,000 for the year ended 31 March 2023 to approximately HK\$258,000 for the year ended 31 March 2024. The increase was mainly due to the increase of bank interest income for the year ended 31 March 2024.

## **Administrative and other operating expenses**

Administrative and other operating expenses increased by approximately HK\$0.5 million or approximately 3.8% from approximately HK\$13.3 million for the year ended 31 March 2023 to approximately HK\$13.8 million for the year ended 31 March 2024. The increase was mainly due to the increase in staff costs and provision for loss allowance on financial assets and contract assets during the year ended 31 March 2024.

## **Finance costs**

Finance costs increased by approximately 575% to approximately HK\$27,000 for the year ended 31 March 2024 from approximately HK\$4,000 for the year ended 31 March 2023, which was mainly due to the increase in lease interests for the year ended 31 March 2024.

## **Loss for the year**

For the year ended 31 March 2024, the Group recorded loss attributed to owners of the Company of approximately HK\$11.8 million as compared to the year ended 31 March 2023 of approximately HK\$11.6 million. The increase was mainly attributable to the increase in administrative and other operating expense for the year ended 31 March 2024.

## **Final dividend**

The Directors do not recommend the payment of final dividend for the year ended 31 March 2024 (2023: nil).

## **Capital structure**

As at 31 March 2024, the total issued share capital of the Company was HK\$13,819,000 divided into 276,380,000 ordinary shares of HK\$0.05 each.

The share capital of the Company only comprises ordinary shares.

### ***The placing of new shares under general mandate in 2023***

In August 2023, the Company raised net proceeds of approximately HK\$8.0 million (the “**Placing Proceeds**”) from its placing of 25,100,000 Shares to not less than six placees at the placing price of HK\$0.34 each per placing share under general mandate for the general working capital and working capital of the Group.

As at 31 March 2024, all of the Placing Proceeds had been used.

### ***Issue of shares under Rights Issue***

As disclosed in the Company’s announcement dated 24 March 2021 and the prospectus dated 12 May 2021, the Company proposed to implement a rights issue (the “**Rights Issue**”) on the basis of one (1) rights share for every two (2) consolidated shares held on a record date at a subscription price of HK\$0.215 per rights share.

On 11 June 2021, the Company issued 69,800,000 ordinary shares upon completion of the Rights Issue. Accordingly, the number of shares of the Company increased from 139,600,000 shares to 209,400,000 shares. The gross proceeds from the Rights Issue were approximately HK\$15.0 million. The net proceeds after deducting related expenses of approximately HK\$1.2 million were approximately HK\$13.8 million.

Detailed terms of the Rights Issue and its results were set out in the Company’s prospectus dated 12 May 2021 and the results announcement dated 31 May 2021, respectively.

As at 31 March 2024, the actual use of the net proceeds of the Rights Issue are as follows:

	Planned use of net proceeds as stated in the prospectus dated 12 May 2021 <i>HK\$ million</i>	Actual use of proceeds up to 31 March 2023 <i>HK\$ million</i>	Amount utilised during the year ended 31 March 2024 <i>HK\$ million</i>	Unutilised net proceeds up to 31 March 2024 <i>HK\$ million</i>
Expansion and development of the existing businesses	7.2	7.2	–	–
Future investment opportunities	5.5	0.5	–	5.0
General working capital	1.1	1.1	–	–

As at 31 March 2024, approximately HK\$8.8 million out of the net proceeds from the Rights Issue had been used. The remaining unutilised net proceeds as at 31 March 2024 were placed as deposits with licensed banks in Hong Kong and are currently intended to be applied in the manner consistent with the proposed allocations as set out in the prospectus dated 12 May 2021. The remaining unutilised net proceeds are expected to be utilised by 31 March 2025.

### Liquidity and financial resource

The Group financed the operations primarily through cash generated from the operating and financing activities. During the year ended 31 March 2024, the Group did not have any bank borrowings (2023: nil). As at 31 March 2024, the Group had cash and cash equivalents of approximately HK\$29.7 million (2023: HK\$42.0 million) and a pledged bank deposit of approximately HK\$5.4 million (2023: HK\$5.3 million).

The Group's 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 2024 was nil (2023: nil). 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 bank balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

## **Significant investments held, material acquisitions and disposals of subsidiaries, associated companies and joint ventures**

Save as disclosed in this announcement, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the year ended 31 March 2024.

## **Future plans for material investments and capital assets**

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as of 31 March 2024.

## **Foreign exchange exposure**

Most of the 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.

## **Charge of Group assets**

As at 31 March 2024, aside from a pledged bank deposit of approximately HK\$5.4 million (2023: HK\$5.3 million), no asset of the Group was pledged as security for bank borrowing or any other financing facilities.

## **Capital expenditure**

Total capital expenditure for the year ended 31 March 2024 was approximately HK\$1.1 million (2023: HK\$0.3 million), which was used in the purchases of plant and equipment.

## **Contingent liabilities**

As at 31 March 2024, the Group had no material contingent liabilities.

## **Capital commitments**

As at 31 March 2024, the Group had no material capital commitments.

## **Segment information**

Management considers that the Group had only one operating segment which is mentioned in Note 4 to the consolidated financial statements.

## **EVENTS AFTER THE REPORTING PERIOD**

Saved as disclosed in this announcement, the Group had no significant events from the end of the reporting period and up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICE**

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholder value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 of the GEM Listing Rules. During the year ended 31 March 2024, to the best knowledge of the Board, the Company has complied with the code provisions of the CG Code.

## **RESULTS AND DIVIDENDS**

The results of the Group for the year ended 31 March 2024 are set out in the consolidated statement of profit or loss and other comprehensive income of this announcement. The financial position of the Group as at 31 March 2024 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 2024.

## **Information of employees**

As at 31 March 2024, the Group had 67 full-time employees working in Hong Kong (2023: 58). The total staff costs, including Directors’ emoluments incurred during the year ended 31 March 2024 were approximately HK\$23.3 million (2023: HK\$21.5 million).

Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of training were provided to the employees.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2024.

## **AUDIT COMMITTEE**

The Audit Committee was established on 29 September 2017. The chairman of the Audit Committee is Mr. Tang Chi Wai, an independent non-executive Director, and other members include Mr. Wong Yiu Kwong Kenji and Ms. Chung Lai Ling, both independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company's website.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

## **REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT**

The Group's annual results for the year ended 31 March 2024 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 2024 as set out in this announcement have been agreed by the Group's auditors, Zhonghui Anda CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2024. The work performed by Zhonghui Anda CPA 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 Zhonghui Anda CPA Limited on this announcement.

## **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.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The annual results announcement and the annual report are published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.nobleengineering.com.hk](http://www.nobleengineering.com.hk). Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed annual report, at any time by writing to the Company.

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

Hong Kong, 28 June 2024

*As at the date of this announcement, the executive Directors are Mr. Tse Chun Yuen and Mr. Tse Chun Kuen, the non-executive Director is Ms. Dang Hongying, 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 website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page 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](http://www.nobleengineering.com.hk).*