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NEW CONCEPTS HOLDINGS LIMITED

創業集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2221)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

FINAL RESULTS

The board (the “Board”) of directors (the “Directors”) of New Concepts Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2015, together with the comparative figures for the year ended 31 March 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 HK\$	2014 <i>HK\$</i>
Revenue	5	780,854,046	463,020,588
Cost of sales		(667,511,692)	(377,852,032)
Gross profit		113,342,354	85,168,556
Other income and net gains	5	6,293,330	11,154,557
Administrative expenses		(14,777,917)	(9,207,786)
Other operating expenses		(34,868,162)	(25,839,247)
Operating profit		69,989,605	61,276,080
Finance costs	6	(1,335,522)	(347,109)
Profit before income tax		68,654,083	60,928,971
Income tax expense	7	(15,301,610)	(10,325,545)
Profit and total comprehensive income for the year attributable to owners of the Company		<u>53,352,473</u>	<u>50,603,426</u>
Basic earnings per share	8	<u>0.15</u>	<u>0.17</u>
Dividends	9	<u>25,000,000</u>	<u>52,456,834</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 <i>HK\$</i>	2014 <i>HK\$</i>
ASSETS			
Non-current assets			
Property, plant and equipment		<u>184,865,376</u>	33,888,119
Current assets			
Trade and other receivables	10	126,232,335	69,084,271
Amounts due from customers for contract work	11	33,382,319	3,081,267
Amount due from a director		18,310,000	18,310,000
Bank balances and cash		<u>57,088,286</u>	38,156,765
		<u>235,012,940</u>	128,632,303
Total assets		<u>419,878,316</u>	<u>162,520,422</u>
EQUITY			
Capital and reserves			
Share capital		40,000,000	14,000,000
Reserves		<u>115,825,108</u>	35,369,754
Total equity		<u>155,825,108</u>	<u>49,369,754</u>
LIABILITIES			
Non-current liabilities			
Loan from a director		18,310,000	18,310,000
Deferred tax liabilities		14,616,269	2,949,853
Obligations under finance leases		<u>59,119,973</u>	10,250,932
		<u>92,046,242</u>	<u>31,510,785</u>
Current liabilities			
Trade and other payables	12	111,102,885	57,557,088
Amounts due to customers for contract work	11	903,522	14,661,411
Bank borrowings — secured		4,000,000	—
Obligations under finance leases		55,524,982	5,079,760
Tax payable		<u>475,577</u>	4,341,624
		<u>172,006,966</u>	81,639,883
Total liabilities		<u>264,053,208</u>	<u>113,150,668</u>
Total equity and liabilities		<u>419,878,316</u>	<u>162,520,422</u>
Net current assets		<u>63,005,974</u>	<u>46,992,420</u>
Total assets less current liabilities		<u>247,871,350</u>	<u>80,880,539</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 3 April 2014 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY-1108, Cayman Islands. The address of its principal place of business is located at Room 1812, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong.

The Company's shares were listed on the Main Board on 19 September 2014 (the "Listing").

The Company is an investment holding company.

2. GROUP REORGANISATION

Pursuant to a reorganisation (the "Reorganisation") of the Company and its subsidiaries now comprising the Group on 13 August 2014 to rationalise the Group structure in preparation for the listing of the shares on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), the Company became the holding company of the Group.

3. 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 2014. The collective term of HKFRSs comprises Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS"), and Interpretations.

New and revised HKFRSs in issue but not yet effective

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ³
HKFRS 15	Revenue from contracts with customers ⁴
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ³
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to HKAS 1	Disclosure initiative ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendment to HKAS 16 and HKAS 41	Agriculture: bearer plants ³
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ²
Amendment to HKAS 27	Equity method in separate financial statements ³
Amendments to HKFRSs	Annual Improvement 2010–2012 Cycle ²
Amendments to HKFRSs	Annual Improvement 2011–2013 Cycle ²
Amendments to HKFRSs	Annual Improvement 2012–2014 Cycle ³

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

The Group has commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the HKICPA and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”).

These consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

5. REVENUE AND SEGMENT INFORMATION

Revenue derived from foundation works, civil engineering construction and general building works are as follows:

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Foundation works	591,655,113	81,945,500
Civil engineering construction	97,965,121	65,149,497
General building works	91,233,812	315,925,591
	<u>780,854,046</u>	<u>463,020,588</u>

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided.

The Group’s operating and reportable segments currently are (i) foundation works; (ii) civil engineering construction; and (iii) general building works. The CODM considered the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

(a) Segment revenue and results

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

For the year ended 31 March 2015

	Foundation works <i>HK\$</i>	Civil engineering construction <i>HK\$</i>	General building works <i>HK\$</i>	Total <i>HK\$</i>
Segment Revenue	<u>591,655,113</u>	<u>97,965,121</u>	<u>91,233,812</u>	<u>780,854,046</u>
Segment Cost	<u>518,893,531</u>	<u>87,299,257</u>	<u>61,318,904</u>	<u>667,511,692</u>
Segment Profit	<u>72,761,582</u>	<u>10,665,864</u>	<u>29,914,908</u>	<u>113,342,354</u>
Unallocated — other income and net gains				6,293,330
Unallocated expenses				(49,646,079)
Finance costs				(1,335,522)
Profit before income tax				68,654,083
Income tax expense				(15,301,610)
Profit for the year				<u>53,352,473</u>

For the year ended 31 March 2014

	Foundation works <i>HK\$</i>	Civil engineering construction <i>HK\$</i>	General building works <i>HK\$</i>	Total <i>HK\$</i>
Segment Revenue	<u>81,945,500</u>	<u>65,149,497</u>	<u>315,925,591</u>	<u>463,020,588</u>
Segment Cost	<u>59,193,216</u>	<u>62,671,941</u>	<u>255,986,875</u>	<u>377,852,032</u>
Segment Profit	<u>22,752,284</u>	<u>2,477,556</u>	<u>59,938,716</u>	<u>85,168,556</u>
Unallocated — other income and net gains				11,154,557
Unallocated expenses				(35,047,033)
Finance costs				(347,109)
Profit before income tax				60,928,971
Income tax expense				(10,325,545)
Profit for the year				<u>50,603,426</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4.

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, finance costs, income tax expense, unallocated income and net gains, and expenses. This is measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

(b) **Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Foundation works	302,121,164	51,689,605
Civil engineering construction	7,713,874	8,234,257
General building works	<u>23,153,499</u>	<u>19,612,114</u>
Total segment assets	<u>332,988,537</u>	<u>79,535,976</u>
Unallocated property, plant and equipment	6,361,375	1,391,956
Other receivables	5,130,118	25,125,725
Amount due from a director	18,310,000	18,310,000
Bank balances and cash	<u>57,088,286</u>	<u>38,156,765</u>
	<u>86,889,779</u>	<u>82,984,446</u>
Consolidated assets	<u><u>419,878,316</u></u>	<u><u>162,520,422</u></u>

Segment liabilities

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Foundation works	195,789,779	27,928,003
Civil engineering construction	11,840,650	4,024,638
General building works	<u>11,041,998</u>	<u>48,941,280</u>
Total segment liabilities	<u>218,672,427</u>	<u>80,893,921</u>
Other payables	7,978,935	6,655,270
Loan from a director	18,310,000	18,310,000
Tax payable	475,577	4,341,624
Deferred tax liabilities	14,616,269	2,949,853
Bank borrowings — secured	<u>4,000,000</u>	<u>—</u>
	<u>45,380,781</u>	<u>32,256,747</u>
Consolidated liabilities	<u><u>264,053,208</u></u>	<u><u>113,150,668</u></u>

Segment assets represent certain property, plant and equipment, trade and retention receivables and amounts due from customers for contract work which are directly attributable to the relevant operating and reportable segments. Segment liabilities represent trade and retention payables, obligations under finance leases and amounts due to customers for contract work which are directly attributable to the relevant operating and reportable segments. These are the measures reported to CODM for the purpose of resource allocation and assessment of segment performance.

(c) **Other segment information**

For the year ended 31 March 2015

	Foundation works <i>HK\$</i>	Civil engineering construction <i>HK\$</i>	General building works <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Amounts included in the measure to segment profit:					
Depreciation and amortisation	5,220,416	—	—	6,444,460	11,664,876
Loss on disposal of property, plant and equipment	—	—	—	510,481	510,481

For the year ended 31 March 2014

	Foundation works <i>HK\$</i>	Civil engineering construction <i>HK\$</i>	General building works <i>HK\$</i>	Unallocated <i>HK\$</i>	Total <i>HK\$</i>
Amounts included in the measure to segment profit:					
Depreciation and amortisation	3,646,809	354,200	—	564,613	4,565,622
Loss on disposal of property, plant and equipment	—	—	—	2,468,000	2,468,000

(d) **Information about major customers**

During the year, there were 4 customers (2014: 2 customers) who individually contributed over 10% of the Group's revenue. The aggregate amount of revenue from these customers accounted for 61% (2014: 81%) of the Group's total revenue. Revenue from customers contributing over 10% of the total revenue is as follows:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Customer A	163,887,323	—
Customer B	128,778,555	—
Customer C	108,496,000	—
Customer D	78,853,238	—
Customer E	—	308,573,753
Customer F	—	65,149,497

(e) **Geographical information**

No geographical information is presented for the Group's business segment as the Group is principally engaged projects in Hong Kong.

(f) Other income and net gains

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Bank interest income	113,829	2,368
Exchange loss	(40,818)	—
Machine rental income	4,675,619	10,672,831
Management fee income	—	431,333
Sales of materials	384,818	31,817
Sundry income	1,159,882	16,208
	<u>6,293,330</u>	<u>11,154,557</u>

6. FINANCE COSTS

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Interest on bank overdrafts	16,826	6,167
Interest on bank loan	24,658	—
Finance lease charges	1,294,038	340,942
	<u>1,335,522</u>	<u>347,109</u>

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Current tax — Hong Kong profits tax	3,535,214	8,715,252
Underprovision in previous year	99,980	—
Deferred income tax	11,666,416	1,610,293
	<u>15,301,610</u>	<u>10,325,545</u>

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:

	2015 HK\$	2014 HK\$
Profit before income tax	<u>68,654,083</u>	<u>60,928,971</u>
Calculated at a tax rate of 16.5% (2014: 16.5%)	11,327,923	10,053,280
Tax effect of non-taxable revenue	(10,383)	(552,456)
Tax effect of non-deductible expenses	1,974,568	720,616
Tax effect of temporary difference not recognised	—	124,105
Tax reduction	(20,000)	(20,000)
Overprovision in previous year	99,980	—
Unrecognised tax losses	<u>1,929,522</u>	<u>—</u>
	<u>15,301,610</u>	<u>10,325,545</u>

8. EARNINGS PER SHARE — BASIC

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.

	2015 HK\$	2014 HK\$
Profit attributable to owners of the Company	<u>53,352,473</u>	<u>50,603,426</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>353,150,685</u>	<u>300,000,000</u>
Basic earnings per share	<u>0.15</u>	<u>0.17</u>

No diluted earnings per share is presented for both years as there were no potential ordinary shares outstanding for both years.

9. DIVIDEND

	2015 HK\$	2014 HK\$
Interim dividend (<i>Note</i>)	<u>25,000,000</u>	<u>52,456,834</u>

During the year ended 31 March 2015, the Group declared and paid an interim dividend of HK\$25,000,000 (2014: HK\$52,456,834) to its shareholders.

Note:

- (i) During the year ended 31 March 2014, the dividend of HK\$52,456,834 was paid by New Concepts Engineering Development Limited (“the NC Engineering”) to its then shareholders.
- (ii) Prior to the Reorganisation, the NC Engineering declared total dividend of HK\$15,000,000 to its then shareholders.
- (iii) During the year ended 31 March 2015, the Group declared and paid an interim dividend of HK\$0.025 per ordinary share, totalling HK\$10,000,000 to its shareholders.

10. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Contract receivables (<i>note a</i>)	76,443,525	38,014,878
Retention receivables (<i>note b</i>)	44,658,692	29,174,508
	<hr/>	<hr/>
Total trade receivables	121,102,217	67,189,386
Other receivable, deposit and prepayments	5,130,118	1,894,885
	<hr/>	<hr/>
	126,232,335	69,084,271
	<hr/> <hr/>	<hr/> <hr/>

Notes:

(a) Contract receivables

It represents progress billings receivables from the contract works. During the year, the credit period granted to the Group's customers was generally within 30–49 days from invoice date of the relevant contract revenue. Contract receivables are denominated in HK\$.

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

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
0–30 days	42,537,400	18,814,904
31–60 days	23,004,215	19,199,974
61–90 days	10,901,910	—
Over 90 days	—	—
	<hr/>	<hr/>
	76,443,525	38,014,878
	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2015, the Group's contract receivables of HK\$10,901,910 (2014: HK\$19,199,974) were past due but not impaired. These relate to a number of independent customers which have no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these contract receivables based on due date is as follows:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
0–30 days	—	19,199,974
31–60 days	10,901,910	—
61–90 days	—	—
Over 90 days	—	—
	<hr/>	<hr/>
	10,901,910	19,199,974
	<hr/> <hr/>	<hr/> <hr/>

- (b) Retention receivables were not past due as at 31 March 2015 and 2014. They are settled in accordance with the terms of respective contracts. Retention receivables are denominated in HK\$.

Retention receivable is analysed as follows:

	2015 HK\$	2014 HK\$
Due within one year	31,875,593	14,288,022
Due after one year	12,783,099	14,886,486
	<u>44,658,692</u>	<u>29,174,508</u>

11. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	2015 HK\$	2014 HK\$
Cost plus attributable profits less foreseeable losses	885,504,499	610,130,469
Less: progress billings to date	(853,025,702)	(621,710,613)
	<u>32,478,797</u>	<u>(11,580,144)</u>
Analysed for reporting purposes as:		
Amounts due from customers for contract work	33,382,319	3,081,267
Amounts due to customers for contract work	(903,522)	(14,661,411)
	<u>32,478,797</u>	<u>(11,580,144)</u>

Progress billings to date include retention receivables of HK\$44,658,692 (2014: HK\$29,174,508) as at 31 March 2015.

12. TRADE AND OTHER PAYABLES

	2015 HK\$	2014 HK\$
Trade payables (<i>note a</i>)	69,337,857	27,441,278
Retention payables	33,786,093	23,061,085
Accruals	7,476,661	6,110,056
Provision for long service payment (<i>note b</i>)	263,842	514,556
Provision for annual leave	238,432	430,113
	<u>111,102,885</u>	<u>57,557,088</u>

Notes:

- (a) During the year, settlement terms granted by suppliers are generally within 45 days from the invoice date of the relevant purchases.

At the end of each reporting period, the ageing analysis of the Group's trade payables based on invoice date is as follows:

	2015	2014
	HK\$	HK\$
0–30 days	45,147,627	11,953,668
31–60 days	24,084,352	11,602,610
61–90 days	23,275	355,000
Over 90 days	82,603	3,530,000
	<u>69,337,857</u>	<u>27,441,278</u>

- (b) Movement of the Group's provision for long service payment during the year is stated as follows:

	2015	2014
	HK\$	HK\$
At beginning of the year	514,556	548,209
Credited to profit or loss	(250,714)	(33,653)
	<u>263,842</u>	<u>514,556</u>

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to employees who have completed at least 5 years of service with the Group. The amount payable is dependent on the employees' final salary and years of services, and is reduced by entitlements accrued under the retirement schemes of the Group that are attributable to contributions made by the Group.

The Group does not set aside any assets to funds the above remaining obligations.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 March 2015 (the “Year”), the construction industry in Hong Kong continued to grow primarily due to the significant investments of Government in infrastructure construction projects such as railways and highways and the Government’s plan to increase the supply of residential housing for both the short term and the long run. There were also an increasing number of alternation and redevelopment projects for industrial and commercial buildings in Hong Kong, all of which would continue to stimulate the demand for construction works and present opportunities for foundation, civil engineering and general building businesses for our Group.

BUSINESS REVIEW

The Group is a contractor in the Hong Kong construction industry and are principally engaged in foundation, civil engineering and general building works in Hong Kong.

Since the Listing of the Company, the management has continuously consolidated and strengthened the reputation of the Group through the submission of tender documents for most of the tender invitations to keep our presence in the market. The management also maintained regular contact with developers and other consultants in the construction industry to keep us abreast of market development. On the other hand, our core business continued to earn good reputation and provided the Company with a sound track record for our potential business opportunities. Following its successful handling of the Un Chau Street Building Project, which was completed in September 2014, the Group has been invited to submit tender documents for a number of projects. Some of these projects contributed a better profit margin for the Group. During the Year, the Company has been successfully awarded a number of civil engineering and foundation projects from new clients, among which is a foundation project with an attributable contract value of over HK\$250 million from a reputable developer in the private construction sector in Hong Kong.

Having regard to the growing number and contract value of tender invitations and new contracts awarded to the Group during the Year, the management believes that the growth was due to the good relationship maintained with our customers, especially our new customers, which accounted for over 45% of the newly awarded contracts and accounted for over 50% in terms of aggregated contract value.

Results

Revenue of the Group for the Year was approximately HK\$780.85 million, representing an increase of approximately 68.64% from approximately HK\$463.02 million for the year ended 31 March 2014. Gross profit increased by approximately 33.08% from approximately HK\$85.17 million for the year ended 31 March 2014 to approximately HK\$113.43 million for the Year. Total comprehensive income attributable to owners of the Company increased by approximately 5.43% to approximately HK\$53.35 million for the Year from approximately HK\$50.60 million for the corresponding period last year. The overall gross profit margin of the Group decreased from approximately 18.39% for the corresponding period last year to approximately 14.52% for the Year.

Basic earnings per share for the Year, calculated based on the profit attributable to owners of the Company of approximately HK\$53.35 million and the weighted average of 353,150,685 shares (2014: 300,000,000 shares) in issue during the Year, was approximately HK\$15 cents (2014: approximately HK\$17 cents), representing a decrease of approximately 11.76%.

Segmental Analysis

Foundation Projects

The foundation works of the Group include bored piling, driven H-piling, socketed H-piling, mini-piles, footing foundation and pile cap works. During the Year, the foundation industry in Hong Kong has continuously benefited from the increasing investment in infrastructure construction projects due to the booming of construction industry in Hong Kong, and the Group has secured 18 new foundation contracts with an aggregated contract value of approximately HK\$1,360.82 million, out of which only approximately HK\$414.77 million were recorded as revenue for the Year and the remaining aggregate contract value of approximately HK\$946.05 million will be recorded as revenue upon completion of the respective projects. With these strong and solid new contracts on hand, the foundation business will definitely create a new record, achieve a new milestone and become the major revenue contributor of the Group next year.

For the Year, revenue of foundation projects amounted to approximately HK\$591.66 million, representing a significant growth of approximately 622.01% as compared with approximately HK\$81.95 million for the year ended 31 March 2014. This revenue accounted for approximately 75.77% of the Group's overall revenue. The significant improvement of the results in foundation projects was largely a result of projects awarded in the past year reaching a mature stage, thereby contributing to both revenue and profits of the Group. In addition, the increase in the number and scale of projects for foundation works, namely the Oil Street Project and Sai Kung Project, which amounted to approximately HK\$191.76 million and accounted for approximately 32.41% of total revenue of foundation works, also contributed to the increase in revenue for the Year.

Gross profit of foundation projects for the Year was approximately HK\$72.76 million, representing a significant growth of approximately 219.80% as compared with approximately HK\$22.75 million for the year ended 31 March 2014. The increase in gross profit was mainly attributable to the increase in number and contract value of foundation works. Following the successful handling of the Un Chau Street Building Project, which was completed in September 2014, the Group has been invited to submit tender documents for a number of other projects, which contributed to the increase in gross profit for the Year. In addition, the acquisition of machinery for foundation projects also decreased the machinery leasing expenses and increased the gross profit of the Group for the Year.

The overall profit margin of foundation projects decreased to approximately 12.30% for the Year from approximately 27.77% as compared with the same period last year. Such decrease was attributable to the high profit margin of the MGM (Macau) Project for the corresponding period in 2014 and comparatively lower profit margin of overall projects for the Year.

New Foundation Project Awarded

During the Year, the Group has secured 18 new foundation contracts with an aggregated contract value of approximately HK\$1,360.82 million. Details of new projects awarded during the Year were as follows:

Name of New Project	Location	Main Category of Works	Commencement Date	Completion Date
Shek Mun Project	On Kwan Street, Shek Mun, Sha Tin, N.T., STTL463	Curtain Grout & Pumping Test Works	April 2014	August 2014
Oil Street Project	Oil Street, North Point, I.L. No. 8920 Hong Kong	Earthwork (ELS, Pile Caps, Tie Beams and Steel Working Platform) and Associated Works	October 2014	July 2015
Kwai Chung Project	D.D.445 Lot 693 Sec. B R.P. 16–18 Yip Shing Street, Kwai Chung	Construction of Large Diameter Bored Piles	May 2014	October 2014
Tseung Kwan O 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	June 2014	March 2015
Sai Kung Project	Lot No.1950 in DD221, Wai Man Road, Sai Kung, N.T.	Construction of Socketed H-Piles and Pipe Piles	July 2014	February 2015
Des Voeux Road West Project	307–329 Des Voeux Road West	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	July 2014	July 2015
Tsuen Wan Project	TW6, TWTL402 Tsuen Wan	Grout Curtain & Dewatering Well Works	September 2014	December 2014
Wan Chai APA Project	Hong Kong Academy for Performing Arts, 1 Gloucester Road, Wanchai, Hong Kong	Construction of Socketed H-Piles, Earthworks and Underground Drainage	October 2014	April 2017
Zhuhai-Macao Bridge Project	Hong Kong-Zhuhai-Macao Bridge	Construction of Large Diameter Bored Piles	September 2014	February 2015
Hin Keng Station Project	Shatin to Central Link Contract 1102 — Hin Keng Station	Minipile for Temporary Viaduct Platform and Pumping Test System at At-Grade Box	December 2014	May 2015
Sai Yuen Lane Project	I.L.3915 R.P. at No.s 1-17 Sai Yuen Lane, Hong Kong	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	December 2014	March 2016
Tuen Mun Town Project	TMTL No. 509, Area 2, Tuen Mun, N.T.	Construction of Large Diameter Bored Piles	January 2015	May 2015

Name of New Project	Location	Main Category of Works	Commencement Date	Completion Date
Tsing Yi 9 Project	Tsing Yi Lot No. 181 on Tsing Yi Hong Wan Road	Construction of Large Diameter Bored Piles	January 2015	May 2015
Wong To Yick Project	J/O Fuk Hi Street & Fuk Shun Street, Y.L.T.L.313s.A R.P. & Extension Thereto, Yuen Long Industrial Estate, Yuen Long	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	March 2015	December 2015
Sai Kung ELS Project	Lot No. 1950 in DD221, Wai Man Road, Sai Kung, New Territories	Construction of ELS and Raft Foundation Works	February 2015	February 2016
Kai Tak Project	NKIL 6526, Kai Tak Area II Site 2, Kai Tak, Kowloon	Construction of Driven H Piles, ELS and Pile Cap Works	March 2015	January 2016
Wan On Street Project	Nos. 18–24 Wan On Street, Nos. 1–27 Wan Shun Street, Nos. 1–23 Wan King Street, Nos. 2–26 Wan Fuk Street, Hung Hom, Kowloon.	Construction of Large Diameter Bored Piles, Socketed H-Piles and Steel Sheet Piles	March 2015	December 2015
Tseung Kwan O TL 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Construction of ELS and Pile Cap Works	March 2015	January 2016

Foundation Projects in Progress

As at 31 March 2015, the Group had 17 foundation projects in progress, amounting to an aggregated contract value of approximately HK\$1,295.61 million. The management considered that all of the projects in progress were on schedule and none of which would cause the Group to indemnify to the third parties and increase the contingent liabilities. The details of foundation projects in progress as at 31 March 2015 were as follows:

Name of Project in Progress	Location	Main Category of Works	Commencement Date	Completion Date
Harbour Area (South HK) Project	Sandy Bay, Cyberport, Wah Fu, Aberdeen and Ap Lei Chau	Construction of Pre-bored H Piles	April 2013	April 2015
Wanchai Road Project	No.101–111 Wanchai Road, Wan Chai	Excavation and Pile Cap Works	December 2013	May 2015
Tsing Wun Road Project	Tsing Wun Road, Tuen Mun; Po Kong Village Road and Fung Tak Road, Wong Tai Sin; Lai Chi Kok Road, Lai Chi Kok; Chak On Road, Shek Kip Mei; Harbour Road, Wan Chai	Construction of Mini-piles	September 2013	September 2015
Tsing Yi Project	Chung Mei Road, Tsing Yi, N.T.	Excavation and Lateral Support and Underground Drainage Works	January 2014	January 2016
Tseung Kwan O project	Town Lot No.117, Tseung Kwan O, Kowloon	Excavation and Lateral Support and Underground Drainage Works	March 2014	January 2016
Oil Street Project	Oil Street, North Point, I.L. No. 8920 Hong Kong	Earthwork (ELS, Pile Caps, Tie Beams and Steel Working Platform) and Associated Works	October 2014	July 2015
Des Voeux Road West Project	307–329 Des Voeux Road West	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	July 2014	July 2015
Wan Chai APA Project	Hong Kong Academy for Performing Arts, 1 Gloucester Road, Wanchai, Hong Kong	Construction of Socketed H-Piles, Earthworks and Underground Drainage	October 2014	April 2017
Hin Keng Station Project	Shatin to Central Link Contract 1102 — Hin Keng Station	Minipile for Temporary Viaduct Platform and Pumping Test System at At-Grade Box	December 2014	May 2015

Name of Project in Progress	Location	Main Category of Works	Commencement Date	Completion Date
Sai Yuen Lane Project	I.L.3915 R.P. at No.s 1-17 Sai Yuen Lane, Hong Kong	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	December 2014	March 2016
Tuen Mun Town Project	TMTL No. 509, Area 2, Tuen Mun, N.T.	Construction of Large Diameter Bored Piles	January 2015	May 2015
Tsing Yi 9 Project	Tsing Yi Lot No. 181 on Tsing Yi Hong Wan Road	Construction of Large Diameter Bored Piles	January 2015	May 2015
Wong To Yick Project	J/O Fuk Hi Street & Fuk Shun Street, Y.L.T.L.313s.A R.P. & Extension Thereto, Yuen Long Industrial Estate, Yuen Long	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	March 2015	December 2015
Sai Kung ELS Project	Lot No. 1950 in DD221, Wai Man Road, Sai Kung, New Territories	Construction of ELS and Raft Foundation Works	February 2015	February 2016
Kai Tak Project	NKIL 6526, Kai Tak Area II Site 2, Kai Tak, Kowloon	Construction of Driven H Piles, ELS and Pile Cap Works	March 2015	January 2016
Wan On Street Project	Nos. 18-24 Wan On Street, Nos. 1-27 Wan Shun Street, Nos. 1-23 Wan King Street, Nos. 2-26 Wan Fuk Street, Hung Hom, Kowloon	Construction of Large Diameter Bored Piles, Socketed H-Piles and Steel Sheet Piles	March 2015	December 2015
Tseung Kwan O TL 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Construction of ELS and Pile Cap Works	March 2015	January 2016

Completed Foundation Projects

During the Year, the Group has completed 9 foundation projects and a total of approximately HK\$309.75 million were recorded. The details of completed foundation projects during the Year were as follows:

Name of Completed Project	Location	Main Category of Works	Commencement Date	Completion Date
Harbour Area (North HK) Project	North Point, Wan Chai East and Central	Construction of pre-bored H Piles	December 2011	December 2014
Yuen Long Project	On Ning Road, Tai Kiu Road and Yuen Long On Lok Road Yeun Long, N.T.	Site Formation, Evacuation and Lateral support and Pile Cap Works	February 2014	November 2014
Shek Mun Project	On Kwan Street, Shek Mun, Sha Tin, N.T., STTL463	Curtain Grout & Pumping Test Works	April 2014	August 2014
Kwai Chung Project	D.D.445 Lot 693 Sec. B R.P. 16–18 Yip Shing Street, Kwai Chung	Construction of Large Diameter Bored Piles	May 2014	October 2014
Tseung Kwan O 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works	June 2014	March 2015
Sai Kung Project	Lot No.1950 in DD221, Wai Man Road, Sai Kung, N.T.	Construction of Socketed H-Piles and Pipe Piles	July 2014	February 2015
Tsuen Wan Project	TW6, TWTL402 Tsuen Wan	Grout Curtain & Dewatering Well Works	September 2014	December 2014
Zhuhai-Macao Bridge Project	Hong Kong-Zhuhai-Macao Bridge	Construction of Large Diameter Bored Piles	September 2014	February 2015
Kap Pin Long Project	Po Lo Che Road, Kap Pin Long, Sai Kung, N.T.	Construction of Socketed H-Piles and Solider Piles	July 2013	August 2014

General Building Projects

The Group acts as main contractor in some building projects, and may also be retained as sub-contractors in projects of alterations and additions, renovation, and fitting-out for existing buildings.

During the Year, the Group utilised most of its resources in its foundation projects. Performance of other segments of the Group had been affected. Despite of the limited resources allocated to general building works, general building projects kept on providing positive and steady returns as well as profit to the Group during the Year.

For the Year, revenue of general building projects amounted to approximately HK\$91.23 million, representing a significant decrease of approximately 71.12% as compared with approximately HK\$315.93 million for the year ended 31 March 2014. This revenue accounted for approximately

11.68% of the Group's overall revenue. During the Year, there was no new general building contract awarded as the Group has been frequently invited to submit tender documents for a number of foundation projects, leading the Group to re-allocate and utilise most of its resources in its foundation business. As such, the management aimed at completing all the general building projects in progress, which leads to a significant decrease in revenue of general building projects during the Year.

Gross profit of general building projects for the Year was approximately HK\$29.91 million, representing a decrease of approximately 50.09% as compared with approximately HK\$59.94 million in 2014.

The overall profit margin of general building projects increased to approximately 32.79% for the Year from approximately 18.97% as compared with the year ended 31 March 2014. Such increase was attributable to the higher profit margin of the MacDonnell Road Project and Un Chau Street Project during the Year.

Looking forward, the Group will maintain or even increase the number of general building projects. At the same time, the management will also keep on leveraging opportunities created by the existing foundation and civil engineering projects and its high appreciation awarded and good reputation earned in those completed projects and the industry, with a view to secure and obtain more projects on general building work for the financial year ending 31 March 2016.

New General Building Project Awarded

During the Year, there was no new general building contract awarded as the Group utilised most of its resources in its foundation projects.

General Building Project in Progress

As at 31 March 2015, the Group had only 1 general building project in progress, amounting to an aggregated contract value of approximately HK\$75.69 million. The management considered that the project in progress was on schedule and would not cause the Group to indemnify to the third parties and increase the contingent liabilities. The details of general building project in progress were as follows:

Name of Project in Progress	Location	Main Category of Works	Commencement Date	Completion Date
MacDonnell Road Project	No.3 MacDonnell Road, Mid-levels	Construction of Soldier Pile, ELS, Pile Cap, Basement Works	June 2013	January 2016

Completed General Building Projects

During the Year, the Group has completed 1 general building project and a total of approximately HK\$425.15 million were recorded. The details of completed general building project during the Year were as follows:

Name of Completed Project	Location	Main Category of Works	Commencement Date	Completion Date
Un Chau Street Building Project	386-408 Un Chau Street, Sham Shui Po, Kowloon	Construction of a 30 Storey Residential Building	November 2012	September 2014

Civil Engineering Projects

Civil engineering works of the Group include site formation (including associated infrastructure works), roads and drainage works and landslip preventive and remedial works to slopes and retaining walls.

During the Year, revenue of civil engineering projects amounted to approximately HK\$97.97 million, representing an increase of approximately 50.37% as compared with approximately HK\$65.15 million for the year ended 31 March 2014. This revenue contributed approximately 12.55% of the Group's overall revenue.

Gross profit of civil engineering projects for the Year was approximately HK\$10.67 million, representing a growth of approximately 330.50% as compared with approximately HK\$2.48 million for the year ended 31 March 2014. The overall profit margin of civil engineering projects increased to approximately 10.89% for the Year from approximately 3.80% as compared with the year ended 31 March 2014. The increase in its gross profit and profit margin was mainly attributable to the increase in the overall contract value of civil engineering works during the Year.

New Civil Engineering Project Awarded

During the Year, the Group has secured 3 new civil engineering contracts with an aggregated contract value of approximately HK\$216.06 million. Details of new projects awarded during the Year were as follows:

Name of New Project	Location	Main Category of Works	Commencement Date	Completion Date
Kau To Project	Shatin Lot S.T.T.L.563, Area 56A, Kau To, N.T.	Site Formation and Construction of Pipe Piles and Pad Footings	August 2014	June 2015
Pak Shek Kok 214 Project	Tai Po Town Lot No. 214, Fo Yin Road, Pak Shek Kok, Tai Po, New Territories	Removal and Disposal of Existing Filled Materials	January 2015	April 2015
Kau To 579 Project	Shatin Lot S.T.T.L. 563, Area 56A, Kau To, N.T.	Site Formation and Construction of Pipe Piles (323ø and 610ø) and Pad Footings	March 2015	March 2016

Civil Engineering Projects in Progress

As at 31 March 2015, the Group had 3 civil engineering projects in progress, amounting to an aggregated contract value of approximately HK\$216.06 million. The management considered that all of the projects in progress were on schedule and none of which would cause the Group to indemnify to the third parties and increase the contingent liabilities. The details of civil engineering projects in progress were as follows:

Name of Project in Progress	Location	Main Category of Works	Commencement Date	Completion Date
Kau To Project	Shatin Lot S.T.T.L.563, Area 56A, Kau To, N.T.	Site Formation and Construction of Pipe Piles and Pad Footings	August 2014	June 2015
Pak Shek Kok 214 Project	Tai Po Town Lot No. 214, Fo Yin Road, Pak Shek Kok, Tai Po, New Territories	Removal and Disposal of Existing Filled Materials	January 2015	April 2015
Kau To 579 Project	Shatin Lot S.T.T.L. 563, Area 56A, Kau To, N.T.	Site Formation and Construction of Pipe Piles (323ø and 610ø) and Pad Footings	March 2015	March 2016

Completed Civil Engineering Projects

During the Year, the Group has completed 2 civil engineering projects and a total of approximately HK\$200.06 million were recorded. The details of completed civil engineering projects during the Year were as follows:

Name of Completed Project	Location	Main Category of Works	Commencement Date	Completion Date
Central Slopes Project	Central and Western District, Hong Kong	LPM	December 2011	March 2015
Wong Tai Sin Project	Tsz Wan Shan, Wong Tai Sin, Kowloon	LPM	February 2012	October 2014

FINANCIAL REVIEW

Results

Revenue of the Group for the Year was approximately HK\$780.85 million, representing an increase of approximately 68.64% from approximately HK\$463.02 million for the year ended 31 March 2014. Gross profit increased by approximately 33.08% from approximately HK\$85.17 million for the year ended 31 March 2014 to approximately HK\$113.34 million for the Year. Total comprehensive income attributable to owners of the Company increased by approximately 5.43% to approximately HK\$53.35 million for the Year from approximately HK\$50.60 million for the corresponding period last year. The overall gross profit margin of the Group decreased from approximately 18.39% for the corresponding period last year to approximately 14.52% for the Year.

Basic earnings per share for the Year, calculated based on the profit attributable to owners of the Company of approximately HK\$53.35 million and the weighted average of 353,150,685 shares (2014: 300,000,000 shares) in issue during the Year, was approximately HK\$15 cents (2014: approximately HK\$17 cents), representing a decrease of approximately 11.76%. Such decrease was primarily due to the allotment of 100,000,000 shares of the Company pursuant to the share offer during the Year.

Other Income and Net Gains

Other income and net gains of the Group decreased from a net gain of approximately HK\$11.15 million for the year ended 31 March 2014 to a net gain of approximately HK\$6.30 million for the Year, mainly due to a decrease in machinery rental income for an amount of approximately HK\$6.00 million during the Year.

Administrative Expenses

Administrative expenses of the Group increased by approximately 60.49% from approximately HK\$9.21 million for year ended 31 March 2014 to approximately HK\$14.78 million for the Year, representing approximately 1.99% and 1.89% of the Group's revenue for year ended 31 March 2014 and for the Year, respectively. The increase in administrative expenses was primarily due to the increases in both the director's emoluments and staff costs for an aggregate amount of approximately HK\$5.21 million during the Year.

Other Operating Expenses

Other operating expenses of the Group increased by approximately 34.94% from approximately HK\$25.84 million for the year ended 31 March 2014 to approximately HK\$34.87 million for the Year. Such increase was primarily due to an one-off non-recurring listing expenses of approximately HK\$11.74 million incurred during the Year.

Finance Costs

Finance costs of the Group increased by approximately 284.76% from approximately HK\$0.35 million for the year ended 31 March 2014 to approximately HK\$1.33 million for the Year, primarily due to an increase in interest expenses of approximately HK\$0.95 million relating to finance leases of equipment incurred during the Year.

Interest rates of finance leases ranged from 1.18% to 3.95% for the Year, as compared with 3.00% to 3.25% for the year ended 31 March 2014.

Taxation

Tax charge of the Group increased by approximately 48.19% from approximately HK\$10.33 million for the year ended 31 March 2014 to approximately HK\$15.30 million for Year, primarily due to the increase in provision of deferred income tax of the Group for the Year.

Liquidity and Financial Resources

The Group maintained a strong and sound financial position during the Year. As at 31 March 2015, the Group had bank balances and cash of approximately HK\$57.09 million, out of which approximately HK\$15.43 million were pledged bank deposits (31 March 2014: approximately HK\$38.16 million, out of which approximately HK\$3.06 million were pledged bank deposits).

The total interest-bearing loans of the Group as at 31 March 2015 was approximately HK\$118.64 million (31 March 2014: approximately HK\$15.33 million), and current ratio for the Year was approximately 1.37 (31 March 2014: approximately 1.58).

Interest rates of interest-bearing loans ranged from 1.18% to 3.95% for the Year, as compared with 3.00% to 3.25% for the year ended 31 March 2014.

The Group's borrowings and bank balances are principally denominated in HK\$ and there is no significant exposure to foreign exchange rate fluctuations.

Gearing Ratio

The gearing ratio of the Group as at 31 March 2015 was approximately 76.14% (31 March 2014: approximately 31.05%). The increase in gearing ratio was mainly attributable to the increase in the finance leases balances, as the Group financed its acquisition of the plant and equipment by finance leases during the Year.

The gearing ratio is calculated as the payables incurred not in the ordinary course of business (excluding loan from a director) divided by total equity as at the respective years.

Pledge of Assets

As at 31 March 2015, the Group pledged its bank deposits with value of approximately HK\$15.43 million (31 March 2014: approximately HK\$3.06 million) as collateral to secure banking facilities granted to the Group. Save for the above, the Group did not have any charges on its assets (31 March 2014: Nil).

Foreign Exchange Exposure

All of the revenue-generating operations and borrowings of the Group were transacted in HK\$ which is the presentation currency of the Group. For the Year, there is no significant exposure to foreign exchange rate fluctuations and the Group has not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

Capital Structure

The Shares of the Company were listed on the Stock Exchange on 19 September 2014. There has been no change in capital structure of the Company since 19 September 2014. The capital of the Company comprises ordinary shares and capital reserves. The Group finances its working capital requirements through a combination of funds generated from operations and borrowings.

Capital Commitments

As at 31 March 2015, the Group did not have any capital commitments (31 March 2014: Nil).

Human Resources Management

As at 31 March 2015, the Group had 155 (31 March 2014: 61) employees, including Directors. Total staff costs (including Directors' emoluments) were approximately HK\$13.21 million for the Year as compared to approximately HK\$8.01 million for the year ended 31 March 2014. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefit, injury insurance and share options.

Significant Investments Held

Except for investment in subsidiaries, during the Year, the Group did not hold any significant investment in equity interest in any other company.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

For the Year, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Contingent Liabilities

As at 31 March 2015, the Group had an outstanding performance bond for construction contracts amounted to approximately HK\$23.88 million (31 March 2014: approximately HK\$22.30 million).

Outlook

During the Year, despite the Government's plan to invest in infrastructure construction projects, there were still a relatively low volume of government projects available for tendering, which affected the new projects awarded from the public sector. Fortunately, the construction industry in Hong Kong is expected to remain healthy and strong in the coming years, as a result of the Government's implementing its major infrastructure projects, the effort to construct more public and private housing, and the railway development projects. The Group expects that the construction industry will have a great prospect ahead and we, as one of the industry players, are certainly going to benefit from it. With the increasing number and aggregate contract value of foundation projects on hand and the reduction of machinery leasing expenses resulting from our acquisition of foundation machinery for the newly awarded projects, our foundation business is expected to make satisfactory financial contribution to the Group in the coming financial year. Overall, the Group is very optimistic in the coming year, given the progress it has made in consolidating and strengthening its reputation and the increase in number as well as aggregate contract value of foundation projects.

The management believes that the Group has several business strengths and comparative advantages that enable us to continue our growth. Such strengths and competitive advantages include our focus on the three principal businesses, namely foundation, civil engineering and general building works, which allow us to leverage those opportunities from our existing projects to obtain more business opportunities. The listing status has also elevated the Group in all business aspects, especially enhancing our tender submission opportunities. Our time management and work quality on completion of projects also regularly received appreciation from our clients, which strengthen our reputation on the one hand, and increase business referrals from our existing clients on the other. Those strengths and comparative advantages will inevitably contribute to the revenue of the Group in the coming years.

At the same time, the Group will work to maintain or even increase the number of general building projects. The management will keep on leveraging opportunities created by existing foundation and civil engineering projects and its high appreciation awarded and good reputation earned in those projects and the industry, with a view to secure and obtain more projects on general building works in the year of 2016.

The Group also commits to play an active role in seeking business opportunities from the public and private sectors in Hong Kong and aims to build a trusted brand of quality and reliability and become the preferred contractor of our customers.

OTHER INFORMATION

Use of Proceeds

The net proceeds of the share offer received by the Company were approximately HK\$62.63 million, after deduction of the underwriting fees and commission and expenses. These proceeds are intended to be applied in accordance with the proposed application set out in the paragraph headed “Future Plans and Use of Proceeds — Use of proceeds” in the prospectus dated 4 September 2014 (the “Prospectus”). During the Year, the Directors were not aware of any material change to the planned use of proceeds. Any net proceeds that were not applied immediately have been placed on the short-term interest bearing deposits with authorized financial institutions in Hong Kong during the Year.

During the period from the date of Listing to 31 March 2015 (the “Review Period”), the net proceeds from the Listing had been applied as follows:

	Net Proceeds (<i>approximately HK\$' million</i>)	Used Amount (<i>approximately HK\$' million</i>) (as at 31 March 2015)	Unused Amount (<i>approximately HK\$' million</i>) (as at 31 March 2015)
Acquisition of machinery and equipment	51.36	51.36	—
Hiring of additional staff	6.26	6.26	—
General working capital	5.01	5.01	—
	<hr/>	<hr/>	<hr/>
Total	62.63	62.63	—
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities since its Listing and up to the date of this announcement.

Interests of the Compliance Adviser

Neither Halcyon Capital Limited (“Halcyon”), the compliance adviser of the Company nor its directors or employees or associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 31 March 2015. Pursuant to the agreement entered into between Halcyon and the Company, Halcyon received and will receive fees for acting as the compliance adviser of the Company.

Non-Competition Undertaking from Controlling Shareholders

At the time of the Listing, each of the controlling shareholders of the Company gave a non-competition undertaking in favour of the Company. Each of them has provided a confirmation to the Company confirming that he/it and his/its associates have not breached the terms of the undertaking contained in the Non-competition Deed during the Review Period and up to the date of this announcement.

The Board comprising all the independent non-executive Directors, based on the written confirmation provided by each of the controlling shareholders, is of the view that such controlling shareholders have been in compliance with the non-competition undertaking in favour of the Company during the Review Period.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with all Directors, all Directors confirmed in writing that they have complied with the required standard set out in the Model Code regarding their securities transactions during the Review Period and up to the date of this announcement.

Corporate Governance Practices

The Board believes that good corporate governance is one of the areas leading to the success of the Company and balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancement of the efficiency and effectiveness of such principles and practices.

The Company has adopted the compliance manual which sets out the minimum standard of good practices concerning the general management responsibilities of the Board with which the Company and the Directors shall comply and which contains, among other things, the code provisions as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the Review Period, the Board considers that the Company has complied with all the corporate governance codes (the “CG Code”) as set out in Appendix 14 to the Listing Rules.

Audit Committee

The final results of the Company for the Year and this announcement have been reviewed by the audit committee and agreed by Wellink CPA Limited, the independent auditor of the Company.

The audit committee of the Company was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the relevant CG Code.

The summary of work of the audit committee during the Review Period is as follows:

- met with the external auditors and reviewed the annual and interim reports of the Company;
- reviewed the effectiveness of the Company’s internal control and risk management systems;
- reviewed the continuing connected transaction of the Company;
- reviewed the non-competition undertaking by the Controlling Shareholders of the Company;
- reviewed and approved audit fee; and
- recommended the re-appointment of auditors.

Final Dividend

The Board does not recommend a payment of final dividend to the shareholders of the Company for the Year (2014: Nil).

Annual General Meeting

The annual general meeting of the Company (the “AGM”) will be held on 18 August 2015. The notice of the AGM will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://www.ncfl.com.hk> and sent to the shareholders of the Company, together with the Company’s annual report, in due course.

Closure of Register of Members

The Register of Members of the Company will be closed from 14 August 2015 to 18 August 2015 (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement to attend and vote at the AGM, all transfer document, accompanied by the relevant share certificates, must be lodged with the Company’s Branch Share Registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 13 August 2015.

Publication of Final Results Announcement and Annual Report

The Company’s final results announcement is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://www.ncfl.com.hk>.

The annual report of the Company for the year ended 31 March 2015 containing the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders in due course.

By Order of the Board
New Concepts Holdings Limited
Kwan Man Hay
Chief Executive and Executive Director

Hong Kong, 25 June 2015

As at the date of this announcement, the executive Directors are Mr. Chu Shu Cheong, Mr. Kwan Man Hay, Mr. So Kin Shing and Ms. Lai Mun Yee; the non-executive Director is Dr. Huen Wai Kei; and the independent non-executive Directors are Mr. Lo Chun Chiu, Adrian, Dr. Tong Ka Lok and Mr. Choy Wai Shek, Raymond, MH, JP.