

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



## Ngai Shun Holdings Limited

## 毅信控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01246)**

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

The board (the “Board”) of directors (the “Directors”) of Ngai Shun Holdings Limited (the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2015 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2014 as follows. These audited consolidated financial statements have been reviewed by the audit committee of the Company.

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

*For the year ended 31 March 2015*

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	3	<b>558,150</b>	486,906
Cost of sales		<b>(408,371)</b>	(353,509)
Gross profit		<b>149,779</b>	133,397
Other income and net gains	3	<b>19,258</b>	5,146
Administrative and other operating expenses		<b>(61,155)</b>	(47,293)
Operating profit		<b>107,882</b>	91,250
Finance costs		<b>(1,186)</b>	(1,227)
Profit before income tax	4	<b>106,696</b>	90,023
Income tax expense	5	<b>(16,134)</b>	(16,644)
Profit for the year		<b>90,562</b>	73,379
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Net gains on revaluation of available-for-sale investments		<b>1,560</b>	—
Other comprehensive income for the year		<b>1,560</b>	—
Total comprehensive income for the year		<b>92,122</b>	73,379
Basic and diluted earnings per share ( <i>HK cents</i> )	6	<b>2.18</b>	2.08
Profit attributable to owners of the Company		<b>90,562</b>	73,379
Total comprehensive income attributable to owners of the Company		<b>92,122</b>	73,379

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>58,972</b>	44,730
Investment properties	9	<b>41,400</b>	37,300
Available-for-sale financial assets		<b>4,350</b>	—
		<u><b>104,722</b></u>	<u>82,030</u>
<b>Current assets</b>			
Trade and other receivables	10	<b>119,914</b>	123,492
Financial assets at fair value through profit or loss		<b>65,320</b>	—
Cash and cash equivalents		<b>254,815</b>	118,642
		<u><b>440,049</b></u>	<u>242,134</u>
<b>Total assets</b>		<u><b>544,771</b></u>	<u>324,164</u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	14	<b>4,150</b>	4,150
Other reserves		<b>317,274</b>	225,152
<b>Total equity</b>		<u><b>321,424</b></u>	<u>229,302</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	11	—	263
Provision for long service payments		<b>4,730</b>	4,740
Deferred taxation		<b>6,281</b>	4,250
		<u><b>11,011</b></u>	<u>9,253</u>
<b>Current liabilities</b>			
Trade and other payables	12	<b>78,629</b>	58,994
Loan from a related company	13	<b>120,000</b>	—
Borrowings	11	<b>12,333</b>	26,305
Tax payable		<b>1,374</b>	310
		<u><b>212,336</b></u>	<u>85,609</u>
<b>Total liabilities</b>		<u><b>223,347</b></u>	<u>94,862</u>
<b>Total equity and liabilities</b>		<u><b>544,771</b></u>	<u>324,164</u>
<b>Net current assets</b>		<u><b>227,713</b></u>	<u>156,525</u>
<b>Total assets less current liabilities</b>		<u><b>332,435</b></u>	<u>238,555</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Ngai Shun Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 16 October 2013. Its parent and ultimate holding company is FABULOUS BUSINESS LIMITED (“Fabulous Business”), a company incorporated in the British Virgin Islands and beneficially owned by Mr. Lam Wing Sum (“Mr. Lam”), Dr. Wong Sai Chung, Albert (“Dr. SC Wong, Albert”), Mr. Wong Sai Lai (“Mr. SL Wong”) and Mr. Wong Sai Yee (“Mr. SY Wong”) (hereinafter collectively referred to as the “Controlling Parties”).

The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is Units 1303–4, 13/F., AIA Financial Centre, 712 Prince Edward Road East, Kowloon, Hong Kong. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the foundation business in Hong Kong as a foundation subcontractor.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company’s shares on the Stock Exchange (the “Reorganisation”), the group entities were under the control of the Controlling Parties. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 18 September 2013. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the years presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of the Controlling Parties prior to and after the Reorganisation.

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

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of 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 accounting policies of the Group.

## 2.1.1 Changes in accounting policy and disclosures

### (a) *New and amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2014:

Amendment to HKAS 32, “Financial Instruments: Presentation” on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group’s consolidated financial statements.

Amendments to HKAS 36, “Impairment of Assets”, on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in HKAS 36 by the issue of HKFRS 13.

Amendment to HKAS 39, “Financial Instruments: Recognition and Measurement” on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to “over-the-counter” derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group’s consolidated financial statements as a result.

HK(IFRIC) 21, “Levies”, sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 “Provisions”. The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 April 2014 are not material to the Group.

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, “Financial Instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the “hedged ratio” to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9’s full impact.

HKFRS 15, “Revenue from Contracts with Customers” deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

(c) *New Hong Kong Companies Ordinance (Cap. 622)*

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company’s first financial year commencing on or after 31 December 2015 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group’s turnover, represents contract receipts on construction contracts in the ordinary course of business. Revenue and other income and net gains recognised during the respective years are as follows:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
<b>Turnover</b>		
Contracts income	<u>558,150</u>	<u>486,906</u>
	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
<b>Other income and net gains</b>		
Interest income	168	74
Gain on disposal of property, plant and equipment	2,770	2,950
Gain on disposal of investment properties	9,876	—
Gain on disposal of a subsidiary	1,082	—
Net gains from fair value adjustment on investment properties ( <i>Note 9</i> )	4,100	1,900
Fair value losses on financial assets at fair value through profit or loss	(2,474)	—
Impairment losses on available-for-sale financial assets	(2,105)	—
Rental income	2,454	54
Provision of property management service income	1,243	120
Commission income	1,034	38
Others	<u>1,110</u>	<u>10</u>
	<u>19,258</u>	<u>5,146</u>

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

#### 4. PROFIT BEFORE INCOME TAX

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year has been arrived after charging:		
Auditors' remuneration	750	700
Depreciation of owned assets ( <i>Note 8</i> )	18,395	11,793
Depreciation of assets under finance leases ( <i>Note 8</i> )	2,494	2,494
Listing expenses	—	9,023
Operating lease rental on premises	966	830
Staff costs, including directors' emoluments	<u>129,736</u>	<u>96,365</u>

#### 5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at a rate of 16.5% (2014: 16.5%) for the year ended 31 March 2015 on the estimated assessable profit arising in or derived from Hong Kong for the year.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong profits tax:		
— Current year	14,448	13,392
— Over-provision in prior year	(345)	—
Deferred income tax	<u>2,031</u>	<u>3,252</u>
Income tax expense	<u>16,134</u>	<u>16,644</u>

#### 6. EARNINGS PER SHARE

	2015	2014
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	<u>90,562</u>	<u>73,379</u>
		(Restated)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ( <i>in thousand</i> )	<u>4,150,000</u>	<u>3,526,160</u>
		(Restated)
Basic earnings per share ( <i>HK cents</i> )	<u>2.18</u>	<u>2.08</u>

For the year ended 31 March 2014 and 2015, the calculation of the basic earnings per share attributable to owners of the Company was based on (i) the profit attributable to owners of the Company and (ii) the weighted average number of ordinary shares issued during the year.

The calculation of the basic earnings per share attributable to owners of the Company for the year ended 31 March 2014 and 2015 have been adjusted as a result of the share subdivision effective on 4 June 2015.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the year ended 31 March 2015 (2014: Nil).

## 7. DIVIDENDS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividends paid	—	40,000

The Directors do not recommend the payment of final dividend for the year ended 31 March 2015 (2014: Nil).

The interim dividends paid of HK\$40,000,000 for the year ended 31 March 2014 represented the dividends paid by a subsidiary of the Company to its then shareholders prior to the Reorganisation.

The rate of dividends and the number of shares ranking for dividends have not been presented as such information is not meaningful having regard to the purpose of these consolidated financial statements.

## 8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement <i>HK\$'000</i>	Plant and machineries <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>						
At 1 April 2013	—	100,212	162	355	2,783	103,512
Additions	—	34,308	10	86	1,885	36,289
Disposals	—	(4,600)	—	—	—	(4,600)
At 31 March 2014	—	129,920	172	441	4,668	135,201
<b>Accumulated depreciation</b>						
At 1 April 2013	—	78,177	134	235	2,238	80,784
Charge for the year	—	13,774	11	70	432	14,287
Disposals	—	(4,600)	—	—	—	(4,600)
At 31 March 2014	—	87,351	145	305	2,670	90,471
<b>Net book value</b>						
At 31 March 2014	—	42,569	27	136	1,998	44,730
<b>Cost</b>						
At 1 April 2014	—	129,920	172	441	4,668	135,201
Additions	543	32,676	231	496	1,575	35,521
Disposals	(30)	(3,675)	—	—	—	(3,705)
Disposal of a subsidiary	—	—	—	(422)	—	(422)
At 31 March 2015	513	158,921	403	515	6,243	166,595
<b>Accumulated depreciation</b>						
At 1 April 2014	—	87,351	145	305	2,670	90,471
Charge for the year	39	19,788	27	124	911	20,889
Disposals	(6)	(3,675)	—	—	—	(3,681)
Disposal of a subsidiary	—	—	—	(56)	—	(56)
At 31 March 2015	33	103,464	172	373	3,581	107,623
<b>Net book value</b>						
At 31 March 2015	480	55,457	231	142	2,662	58,972



Plant and machineries include the following amounts where the Group is a lessee under finance leases:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost — capitalised finance leases	7,197	9,972
Accumulated depreciation	<u>(4,359)</u>	<u>(3,947)</u>
Net book value	<u><u>2,838</u></u>	<u><u>6,025</u></u>

#### 9. INVESTMENT PROPERTIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>At fair value</b>		
Opening balance at 1 April	37,300	—
Acquisition of a subsidiary	39,000	35,400
Disposal	(39,000)	—
Net gains from fair value adjustment	<u>4,100</u>	<u>1,900</u>
Closing balance at 31 March	<u><u>41,400</u></u>	<u><u>37,300</u></u>

#### 10. TRADE AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contract receivables	70,426	87,165
Retention receivables	<u>46,767</u>	<u>35,834</u>
Total trade receivables	117,193	122,999
Other receivables, deposits and prepayments	<u>2,721</u>	<u>493</u>
	<u><u>119,914</u></u>	<u><u>123,492</u></u>

*Note:*

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0–30 days	28,818	48,373
31–60 days	41,015	38,385
61–90 days	—	407
91–365 days	<u>593</u>	<u>—</u>
	<u><u>70,426</u></u>	<u><u>87,165</u></u>



## 11. BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Non-current</b>		
Finance lease liabilities ( <i>Note b</i> )	—	263
<b>Current</b>		
Bank borrowings ( <i>Note a</i> )	12,070	22,002
Finance lease liabilities ( <i>Note b</i> )	263	4,303
	<u>12,333</u>	<u>26,305</u>
<b>Total borrowings</b>	<u><u>12,333</u></u>	<u><u>26,568</u></u>

*Notes:*

### (a) Bank borrowings

Bank borrowings mature until 2016 and bear interest at 1.25% below the current prime rate per annum.

The bank borrowings are denominated in Hong Kong dollars.

The bank borrowings are classified as current liabilities according to the HK Interpretation 5, *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* issued by the HKICPA. According to the repayment schedule, the bank borrowings are repayable as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within a period not exceeding one year	10,310	9,932
Within a period of more than one year but not exceeding two years	1,760	10,310
Within a period of more than two years but not exceeding five years	—	1,760
	<u>12,070</u>	<u>22,002</u>

### (b) Finance lease liabilities

Lease liabilities are secured as the rights to the leased assets revert to the lessors in the event of default.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Gross finance lease liabilities		
— minimum lease payments		
Within a period not exceeding one year	264	4,388
Within a period of more than one year but not exceeding two years	—	264
	<u>264</u>	<u>4,652</u>
Future finance charges on finance leases	(1)	(86)
Present value of finance lease liabilities	<u><u>263</u></u>	<u><u>4,566</u></u>

The present value of finance lease liabilities is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within a period not exceeding one year	263	4,303
Within a period of more than one year but not exceeding two years	—	263
	<u>263</u>	<u>4,566</u>

The carrying amounts of all finance lease liabilities are denominated in Hong Kong dollars.

## 12. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	35,626	42,255
Other payables and accruals	43,003	16,739
	<u>78,629</u>	<u>58,994</u>

*Notes:*

- (a) The carrying amounts of trade payables are denominated in Hong Kong dollars.
- (b) Payment terms granted by suppliers are 30 to 45 days from the invoice date of the relevant purchases.
- (c) More than 60 days represented the retention payable held for the subcontractors, which is payable 6 months after the projects completed.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0–30 days	29,396	36,809
31–60 days	4,848	5,446
More than 60 days	1,382	—
	<u>35,626</u>	<u>42,255</u>

## 13. LOAN FROM A RELATED COMPANY

The loan is due to Excellent Speed Limited (“Excellent Speed”). Excellent Speed is owned by Dr. SC Wong, Albert as to 50% and owned by Mr. Lam as to the remaining 50%. Dr. SC Wong, Albert and Mr. Lam are common directors of the Group and Excellent Speed. The loan is unsecured, bear interest at 5% per annum and repayable at a date falling twelve months from the drawdown date which shall be automatically extended for a further term of twelve months unless advance notice for not less than one month is given by the lender to the borrower in writing.

The loan from a related company is classified as current liabilities according to the HK Interpretation 5, *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* issued by the HKICPA.

## 14. SHARE CAPITAL

	Number of ordinary shares	Ordinary shares HK\$'000
<i>Ordinary shares of HK\$0.01 each:</i>		
<b>Authorised:</b>		
On 3 April 2013 (date of incorporation) ( <i>Note (a)</i> )	38,000,000	380
Increase in authorised share capital ( <i>Note (c)</i> )	962,000,000	9,620
<b>As at 31 March 2014 and 2015</b>	<b><u>1,000,000,000</u></b>	<b><u>10,000</u></b>

	Number of ordinary shares	Ordinary shares HK\$'000
<b>Issued and fully paid:</b>		
On 3 April 2013 (date of incorporation) ( <i>Note (a)</i> )	1	—
Issuance of shares upon Reorganisation ( <i>Note (b)</i> )	9,999	—
Shares issued pursuant to the capitalisation issue ( <i>Note (d)</i> )	299,990,000	3,000
Shares issued pursuant to the placing and public offer ( <i>Note (e)</i> )	115,000,000	1,150
<b>As at 31 March 2014 and 2015</b>	<b><u>415,000,000</u></b>	<b><u>4,150</u></b>

### Notes:

- (a) On 3 April 2013, the Company was incorporated in the Cayman Islands with an initial authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares with a par value of HK\$0.01 per share. One nil paid share was allotted and issued to the subscriber pursuant to the memorandum and articles of association of the Company, which was later transferred to Fabulous Business on 3 April 2013.
- (b) On 18 September 2013, Fabulous Business as vendor, the Company as purchaser and Dr. SC Wong, Albert, Mr. SY Wong, Mr. Lam and Fabulous Business as warrantors entered into a sale and purchase agreement, pursuant to which the Company acquired the entire issued share capital of Pearl Swirls Limited, and as consideration for which (i) the one nil paid share held by Fabulous Business was credited as fully paid, and (ii) 9,999 shares were allotted and issued to Fabulous Business, all credited as fully paid.
- (c) On 22 September 2013, pursuant to the written resolutions of the then sole shareholder of the Company, the authorised share capital of the Company was increased to HK\$10,000,000 divided into 1,000,000,000 ordinary shares of a par value of HK\$0.01 each.
- (d) On 16 October 2013, the Company issued and allotted a total of 299,990,000 ordinary shares of the Company credited as fully paid at par to the then sole shareholder of the Company's shares on the register of members at the close of business on 19 September 2013 by way of capitalisation of the sum of HK\$2,999,900 standing to the credit of the share premium account of the Company, pursuant to the written resolutions of the then sole shareholder of the Company passed on 22 September 2013.
- (e) On 16 October 2013, the Company issued 115,000,000 ordinary shares with a par value of HK\$0.01 each during its placing and public offer at an offer price of HK\$0.93 per ordinary share. As a result, after capitalising approximately HK\$7,003,000 share issuance costs, approximately HK\$99,947,000 were recognised in equity of the consolidated statement of financial position including a credit of approximately HK\$98,797,000 to the share premium account.

## 15. COMMITMENTS

### (a) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for in the consolidated financial statements were as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted but not provided for:		
Property, plant and equipment	<u>2,760</u>	<u>—</u>

### (b) Operating lease commitments — Group as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
No later than one year	1,610	609
Later than one year and no later than five years	<u>2,378</u>	<u>349</u>
	<u>3,988</u>	<u>958</u>

The Group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

### (c) Operating lease rental receivables — Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
No later than one year	1,051	996
Later than one year and no later than five years	<u>646</u>	<u>125</u>
	<u>1,697</u>	<u>1,121</u>

The Group leases office units under various agreements which will be terminated between 2015 and 2017. None of the leases includes contingent rentals.

## 16. CONTINGENT LIABILITIES

- (a) The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

**(b) Pending litigation**

As at 31 March 2015, there were two outstanding cases for compensation and personal injuries claims, against the Group by the employee of the subcontractor and the employee of the Group. The claims were related to the employee of the subcontractor and the employee of the Group who alleged to have suffered from bodily injuries during their course of work and employment in the Group's construction sites. The claims are dealt with and handled by the insurers and are covered by mandatory insurance. The Directors assessed the cases and believed that there would not be a material impact to the financial position of the Group. No provision has been made for the cases in the consolidated financial statements.

On 30 October 2014, a summon has been issued to the Group in relation to an offence arising from the incident occurred on 2 May 2014 which involved the Group's failure to ensure that every part of the load, namely THE H-PILE which was to be raised or lowered by the lifting appliance was securely suspended or supported; and adequately secured so as to prevent danger arising to persons or properties as a result of the slipping or displacement of any part of the load. The case is adjourned to 13 July 2015 for part-heard. In the event the Group is convicted, the Group may be subject to an aggregated amount of the maximum possible fines of HK\$200,000, which will not be covered by the Group's insurance policies and full provision for the maximum potential fine in the sum of HK\$200,000 has been made. The Directors are of the view that this case will not cause any material adverse impact on the Group.

## **BUSINESS REVIEW**

### **Foundation Piling**

Our Group is principally engaged in the foundation business in Hong Kong as a foundation subcontractor. Our Group undertakes foundation projects in both the public sector and the private sector in Hong Kong. During the Reporting Period, our Group has completed 28 projects, 18 projects were in progress which included 12 public projects and 6 private projects, and we were awarded 12 new contracts that worth HK\$200.6 million.

As at the 31 March 2015, the total contract sum in hand (including contracts in progress and contracts of which our work is yet to commence) amounted to approximately HK\$736.4 million and the outstanding contract sum was HK\$329.6 million. The Group's major public contracts on hand include Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road, Kai Tak Children's Hospital, Public Rental Housing Development at Tung Chung Area 39, MTRC Shatin Central Link Contract C1102 Hin Keng Station and Approach Structures, MTRC Shatin Central Link C1103 Hin Keng to Diamond Hill Tunnels, MTRC Shatin Central Link C1121 North South Line Hung Hom to Wanchai Cross Harbour Tunnels and Western Kowloon Cultural District M+ Museum and Carpark. Major private contracts on hand include residential projects at Stubbs Road Ex-Lingnan site, North Point Estate Hotel Development and Ma On Shan White Head residential project of Sun Hung Kai Properties, residential & commercial development at Tseung Kwan O Area 65C1 of Wheelock Properties, office complex developments at Kowloon Bay, Wong Chuk Hang Road and Taikoo Place, Island East of Swire Properties, residential development at So Kwun Wat of Kerry Properties and Kwun Tong Town Centre Redevelopment of Urban Renewal Authority (URA) and Sino Land.

### **Property Investment and Management**

Our Group's property investment portfolio performed satisfactorily over the Reporting Period. The Group recorded rental income of HK\$2.5 million for the Reporting Period. A sale and purchase agreement was concluded for the disposal of retail shops at Hip Wo Street, Kwun Tong, and a gain on disposal of HK\$9.9 million was recognised for the Reporting Period. The transaction was completed in March 2015. This disposal constituted a discloseable transaction of the Company under the Listing Rules, subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under chapter 14 of the Listing Rules. For further details of this transaction, please refer to the announcement of the Company dated 23 January 2015.

## **Securities Investment**

During the Reporting Period, we recorded an unrealised loss of Hong Kong listed securities of approximately HK\$2.5 million (2014: Nil) in profit or loss representing the fair value change on financial assets at fair value through profit or loss. The Group also recorded the net gains on revaluation of Hong Kong listed securities of approximately HK\$1.6 million (2014: Nil) in other comprehensive income and impairment losses of Hong Kong listed securities of approximately HK\$2.1 million (2014: Nil) in profit or loss, representing the change in fair value on available-for-sale financial assets. In view of the current securities market sentiment, our Group intends to take more active approach in gaining short term returns. The Group decided to include the short term securities trading as one of its business activities in the coming financial year.

## **Disposal of a subsidiary**

On 11 February 2015, the Group disposed of Full Profit Property Services Company Limited (“Full Profit”), a wholly owned subsidiary, to an independent third party for a cash consideration of HK\$1 million. Full Profit was engaged in the business of property agency and management service. Approximately HK\$1.1 million gain on disposal of subsidiary was recognised for the Reporting Period. This disposal was conducted on normal commercial terms and its applicable percentage ratios, so that it fell within the de minimis exemptions and did not constitute a discloseable transaction of the Company under the Listing Rules.

## **FINANCIAL REVIEW**

### **Revenue**

Our Group’s revenue for the Reporting Period was approximately HK\$558.2 million, representing an increase of approximately HK\$71.3 million, or 14.6%, compared to revenue of approximately HK\$486.9 million for corresponding period last year. The increase was primarily due to the growth of the foundation business. For the Reporting Period, 51% of the revenue was contributed by private projects while 49% of the revenue was from public projects. The revenue was contributed by the public projects of, Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road, Kai Tak Children’s Hospital, Public Rental Housing Development at Tung Chung Area 39, MTRC Shatin Central Link Contract C1102 Hin Keng Station and Approach Structures, MTRC Shatin Central Link C1103 Hin Keng to Diamond Hill Tunnels and Western Kowloon Cultural District M+ Museum project. In private sector, the Group was involved in private residential projects at Stubbs Road Ex-Lingnan site, North Point Estate Hotel Development of Sun Hung Kai Properties, residential & commercial development at Tseung Kwan O Area 65C1 of Wheelock Properties, office complex developments at Kowloon Bay, Wong Chuk Hang Road and Taikoo Place, Island East of Swire Properties and residential development at So Kwun Wat of Kerry Properties.

### **Gross Profit and Gross Profit Margin**

Gross profit for the Reporting Period was HK\$149.8 million, representing an increase of HK\$16.4 million or 12.3% from HK\$133.4 million for the year ended 31 March 2014. However, the gross profit margin slightly decreased from 27.4% for the year ended 31 March 2014 to 26.8% for the Reporting Period. It was mainly because the increase in revenue was slower than the rise in staff cost and subcontracting charges during the Reporting Period.

Staff cost increased by approximately 19.2% to HK\$88.1 million for the Reporting Period from HK\$73.9 million for the year ended 31 March 2014. It was mainly due to the increase in salary to retain our staff in order to cope with our business growth.



Subcontracting charges represent direct costs (e.g. diesel fuel, machinery and labour costs) paid to our Group's subcontractors to carry out part of our foundation works. During the Reporting Period, we further increase the subcontracting part of our foundation works, such as drilling, welding and grouting, to our approved subcontractors after considering our internal resources allocation, especially for the tight labour supply in the market. During the Reporting Period, the subcontracting charges was around HK\$99.2 million, representing approximately 24.3% of total cost of sales, as compared to that of HK\$77.8 million, representing approximately 22.0% of total cost of sales for the year ended 31 March 2014.

To mitigate the impact of the ever-rising labour costs and the subcontracting charges, various measures have been implemented by the management of the Group to improve the operating efficiency and labour force, including strengthening the internal training, improving the efficiency of the working lines, acquiring advanced model of machineries and participating in campus recruitment talks in order to attract more young new joiners.

### Administrative and Other Operating Expenses

Our Group's general and administrative expenses increased to HK\$61.2 million for the Reporting Period from HK\$47.3 million for the year ended 31 March 2014, which represented an increase of approximately 29.4%. Such increase was mainly due to the increases in the professional fees, staff costs as well as Directors' emoluments.

### Net Profit and Net Profit Margin

Our Group's net profit margin for the Reporting Period was approximately 16.2% (2014: 15.1%). The net profit for the Reporting Period was HK\$90.6 million, representing a growth of approximately 23.4% as compared to the year ended 31 March 2014 of HK\$73.4 million, despite the fact that the net profit contributed by the construction business decreased during the Reporting Period. The drop was partially offset by the increase in rental income, gain on disposal and net gains from fair value adjustment generated from the investment property HK\$14.5 million in total. The Group's net profit contributed by the construction business for the Reporting Period was HK\$81.4 million (2014: HK\$85.5 million) and the net profit margin was approximately 14.6% (2014: 17.6%).

### Use of Net Proceeds from the Share Offer

The net proceeds from the share offer of the Company in connection with the Listing was approximately HK\$99.9 million. Our Group has used the net proceeds as follows:

	<b>Estimated Net Proceeds as stated in the Prospectus</b> <i>(approximately HK\$' million)</i>	<b>Actual net Proceeds</b> <i>(approximately HK\$' million)</i>	<b>Used amount</b> <i>(approximately HK\$' million)</i> (as at 31 March 2015)	<b>Unused amount</b> <i>(approximately HK\$' million)</i> (as at 31 March 2015)
Acquisition of machineries and equipment	51.9	64.9	62.5	2.4
Hiring additional staff	12.0	15.0	6.6	8.4
Partial bank loan repayment	8.0	10.0	10.0	—
General working capital	8.0	10.0	10.0	—
<b>Total</b>	<b>79.9</b>	<b>99.9</b>	<b>89.1</b>	<b>10.8</b>



## **BUSINESS PROSPECTS**

The construction industry in Hong Kong is expected continued to grow steadily. According to the 2015 Hong Kong Government Policy Address, the Government proposes to continue to invest in infrastructure construction projects in year 2015–16. It sets the total housing supply target for the coming decade at 480,000 units. It actively explores ways to increase the supply of subsidised sale flats through organisations including the Hong Kong Housing Authority (HKHA), the Hong Kong Housing Society (HKHS) and the URA to provide more choices and opportunities of home ownership to low and middle-income families. The Hong Kong Government puts up for pre-sale of approximately 2,700 Home Ownership Scheme flats by the Housing Authority in 2015–16 and approximately 2,000 and 1,600 subsidised sale flats by HKHA and HKHS respectively in 2016–17.

In additions, the Hong Kong Government supports the Airport Authority to implement the three-runway system project. It commences the discussions on Phase 2 development of the Hong Kong Disneyland Resort and considers constructing a new convention centre above the Exhibition Station. In addition, it will implement seven new railway projects in phases by 2031 to the Railway Development Strategy 2014.

However, the construction industry is facing the problems of a severe shortage and ageing of skilled workers. Although the Hong Kong Government and the Construction Industry Council have made strenuous efforts in recent years to train local skilled workers and enhance the industry's professional image, and have attracted many new entrants to the industry, the keen demand has yet to be met. If the shortage of skilled workers cannot be properly dealt with, it will seriously affect the implementation of the government policies in relation to public housing, hospital, school and public transportation projects, and will also indirectly lead to the escalation of construction costs.

It has been reported that in recent months the approval progress of infrastructure projects by the Legislative Council and Legco Finance Committee has been extremely slow due to the uncooperative movement by pan-democrats. The budget approval in year 2009–10 was 100% approved while that in year 2013–14, the budget approval was greatly reduced to 44% (Infrastructure Committee) and 68% (Finance Committee) respectively. 23 projects submitted in the year 2012–13 were delayed to the year 2014–15. Average delay in projects is more than six months. In view of the above, the Group expects that the foundation business in public sectors may decrease and we shall be conservative in the business prospects of foundation business in the year of 2015–16.

## **DEBTS AND CHARGE ON ASSETS**

The total interest-bearing borrowings of the Group consisted of loans from a related company, bank loans and finance leases in a sum of approximately HK\$132.3 million as at 31 March 2015 (2014: HK\$26.6 million). As at 31 March 2015, loans from a related company, bank loans and finance leases facilities were approximately HK\$120 million, HK\$12.0 million and HK\$0.3 million respectively (2014: Nil, HK\$22.0 million and HK\$4.6 million). Finance leases facilities were secured by the Group's plant and machineries with an aggregated net book value of approximately HK\$2.8 million and HK\$6.0 million as at 31 March 2015 and 31 March 2014, respectively.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 March 2015, our Group had cash and bank deposits of HK\$254.8 million (2014: HK\$118.6 million), representing an increase of approximately 114.8% when compared with the balance as at 31 March 2014. The share capital of the Company for the Reporting Period remained at approximately HK\$4.2 million (2014: HK\$4.2 million). As at 31 March 2015, the gearing ratio of the Group (defined as total interest-bearing liabilities divided by the Group's total equity) was approximately 41.2% (2014: approximately 11.6%).

## **FOREIGN EXCHANGE RISK**

Our Group mainly operates in Hong Kong and most of the operating transactions, revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if it arises. Therefore, the Group has not engaged in any derivative to hedge its exposure to foreign exchange risk.

## **CAPITAL COMMITMENTS**

Save as disclosed in Note 15 to the consolidated financial statements, the Group had no other capital commitments as at 31 March 2015 and 31 March 2014.

## **SIGNIFICANT INVESTMENTS**

Save as disclosed above, the Company did not hold any significant investment during the Reporting Period.

## **CONTINGENT LIABILITIES**

Save as disclosed in Note 16 to the consolidated financial statements, the Group had no significant contingent liabilities as at 31 March 2015 and 31 March 2014.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES**

On 22 May 2014, the Group entered into a sale and purchase agreement with, among others, Absolutely Talent Technology Limited to acquire the entire issued share capital of Funa Assets Limited ("Funa Assets") at a consideration of HK\$39.0 million, which was on completion adjusted to HK\$38.7 million according to the terms of the sale and purchase agreement. Funa Assets has upon completion become a subsidiary of the Company. The main assets of Funa Assets are rental properties located in Hip Wo Street, Kwun Tong. The consideration was fully funded by cash generated from operating profit and reserves. This acquisition constituted a discloseable transaction of the Company under the Listing Rules and is therefore, subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules. For further details of this transaction, please refer to the announcement of the Company dated 22 May 2014.

On 23 January 2015, the Group entered into a provisional sale and purchase agreement with World Mate Investment Limited, an independent third party, to dispose of the rental properties disclosed in the announcement of the Company dated 22 May 2014 at a consideration of HK\$50.0 million. We recorded HK\$9.9 million of gain on disposal of properties, being the difference between the consideration and the book value of the properties, net of commission and other related expenses as at completion date on 20 March 2015. The disposal of rental properties took place on 20 March 2015. The said disposal constituted a discloseable transaction of the Company under the Listing Rules, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For further details of this transaction, please refer to the announcement of the Company dated 23 January 2015.

Save as disclosed above, the Group had no other material acquisition and/or disposal of subsidiaries and properties during the Reporting Period.

## **PLACING OF SHARES BY CONTROLLING SHAREHOLDERS**

On 22 April 2014, Fabulous Business, the controlling shareholder of the Company, entered into a placing agreement with CNI Securities Group Limited to place a maximum of 88,000,000 ordinary shares of the Company (“Placing Shares”) at the placing price of HK\$0.95 per Placing Share to not less than six places, each of whom is independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules). Upon completion of the placing, the shareholding of Fabulous Business in the then issued share capital of the Company reduced from 72.29% to approximately 51.08%. The Placing completed on 23 April 2014. For further details of the Placing, please refer to the announcements of the Company dated 22 April 2014 and 23 April 2014.

## **PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER**

On 18 February 2015, Fabulous Business entered into a loan agreement (the “Loan Agreement”) with an independent third party in relation to the provision of loan in the principal amount of HK\$325 million pursuant to which Fabulous Business pledged 212,000,000 shares of the Company (the “Charged Shares”) as security for the Loan Agreement. The Charged Shares represent approximately 51.08% of the issued share capital of the Company. For further details of this transaction, please refer to the announcement of the Company dated 18 February 2015.

## **CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The Company’s principal place of business in Hong Kong has been changed to Units 1303–4, 13/F., AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong with effect from 1 January 2015.

## **RESIGNATION OF NON-EXECUTIVE DIRECTOR**

Mr. Wong Sai Yee resigned as a non-executive Director with effect from 25 February 2015 due to his decision to devote more time to pursue his personal and other career development. Details of the resignation aforesaid are set out in the announcement of the Company dated 25 February 2015.

## **APPOINTMENT OF EXECUTIVE DIRECTOR, NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Lam Wing Tai (林永泰) was appointed as an executive Director, Mr. Chui Kwong Kau (崔光球) was appointed as a non-executive Director and Mr. Foo Tin Chung, Victor (傅天忠) was appointed as an independent non-executive Director with effect from 6 March 2015. Details of the appointment aforesaid are set out in the announcement of the Company dated 6 March 2015.

## **EVENTS AFTER THE REPORTING PERIOD**

### **Placing of shares under general mandate**

The Company has conditionally agreed to place 83,000,000 new shares to not less than six places at a price of HK\$0.73 pursuant to the terms and conditions of the placing agreement entered into between the Company and Kingston Securities Limited on 13 April 2015. All the conditions of the placing were fulfilled and completion of the placing took place on 23 April 2015. The net proceeds from the placing, after deducting the placing commission and other expenses in connection with such placing from the gross proceeds, is approximately HK\$59 million which is intended to be used for general working capital and/or future investment of the Group. Details of which are set out in the announcements of the Company dated 13 April 2015 and 23 April 2015.

## **Disposal of shares by controlling shareholder**

On 24 April 2015, Fabulous Business disposed of 49,000,000 shares of the Company at a price of HK\$1.20 per Share to a third party independent of the Company or any of its connected persons (as defined in the Listing Rules) (the “Disposal”). Following the completion of the Disposal, the shareholding of Fabulous Business in the Company reduced to approximately 32.73%. For further details of the Disposal, please refer to the announcement of the Company dated 24 April 2015.

## **Change of Company Secretary**

Mr. Lam Chi Keung resigned from his position as the company secretary of the Company with effect from 31 October 2014. Ms Yim Sau Ping was appointed as the company secretary of the Company and the financial controller of the Group with effect from 31 October 2014.

Ms. Yim resigned from her position as the company secretary and continue her role of financial controller of the Company with effect from 8 May 2015 due to her desire to devote more time on her personal affairs. Mr. Yeung Siu Keung has been appointed as the company secretary of the Company with effect from 8 May 2015.

## **Share Subdivision and Change in Board Lot Size**

On 11 May 2015, the Company proposed that each of the issued and unissued share of the Company of HK\$0.01 each in the share capital of the Company into ten (10) subdivided shares of HK\$0.001 each (“Share Subdivision”), subject to the passing of an ordinary resolution by the shareholders of the Company to approve the proposed Share Subdivision at an extraordinary general meeting and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Share Subdivision becoming effective. The Board further proposed to change the board lot size for trading from 4,000 existing shares to 10,000 subdivided shares after the Share Subdivision becoming effective. The relevant ordinary resolution was passed at the extraordinary general meeting held on 3 June 2015 and such Shares Subdivision and change in board lot size has become effective on 4 June 2015.

For further details of the Share Subdivision, please refer to the announcements of the Company dated 11 May 2015 and 3 June 2015, the notice of the extraordinary general meeting and the circular of the Company both dated 15 May 2015.

## **Appointment of executive directors**

Mr. Chu Bai Qing (儲佰青先生) and Mr. Zou Wei Dong (鄒衛東先生) have been appointed as the executive directors of the Company with effect from 23 June 2015. Details of which are set out in the announcement of the Company dated 23 June 2015.

## **EMPLOYEE AND REMUNERATION POLICIES**

The Group had approximately 252 employees as at 31 March 2015 (2014: 265 employees). The total remuneration of employees for the Reporting Period amounted to approximately HK\$129.7 million (2014: HK\$96.4 million).

Employee remuneration packages are maintained at competitive levels and employees are rewarded through the Group’s salary and bonus system. The Group provides adequate job training to employees to equip them with practical knowledge and skills.

## **FINAL DIVIDEND**

The Directors do not recommend the payment of a final dividend for the Reporting Period (2014: Nil).

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term and continuing success of the Group. Throughout the Reporting Period, the Company had complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors' securities transactions pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed their compliance with the Model Code and its code of conduct throughout the Reporting Period.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

Having made specific enquiry of all Directors, all Directors have confirmed that neither themselves nor their respective associates (as defined in the Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group, or gave rise to any concern regarding conflict of interests during the Reporting Period.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION**

The audit committee of the Company which comprises three independent non-executive Directors, namely Mr. Tam Tak Kei, Raymond (Chairman), Mr. Pai Hao and Mr. Chiu Sai Chuen Nicholas, has reviewed and discussed with the management of the Company regarding the Company's financial statements for the Reporting Period, the auditing, the accounting principles and practices adopted by the Group, as well as internal control and financial reporting matters.

By order of the Board  
**Ngai Shun Holdings Limited**  
**Dr. Wong Sai Chung, Albert**  
*Chairman*

Hong Kong, 26 June 2015

*As at the date of this announcement, the Company has (i) six executive Directors, namely Dr. Wong Sai Chung, Albert, Mr. Lam Wing Sum, Mr. Tao Chi Keung, Mr. Lam Wing Tai, Mr. Chu Bai Qing and Mr. Zou Wei Dong; (ii) one non-executive Director, namely Mr. Chui Kwong Kau and (iii) four independent non-executive Directors, namely Mr. Tam Tak Kei, Raymond, Mr. Pai Hao, Mr. Chiu Sai Chuen Nicholas and Mr. Foo Tin Chung, Victor.*