

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company 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.*

## NGA CHUN HOLDINGS COMPANY LIMITED

### 雅駿控股有限公司

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

**(Stock Code: 1462)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board (the “Board”) of Directors (the “Directors”) of Nga Chun Holdings Company Limited (the “Company”) is pleased to present the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2015 (the “Period”) together with comparative figures for the corresponding period in the previous year as follows:

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

*Six months ended 30 September 2015*

		<b>Unaudited Six months ended 30 September 2015</b>	<b>2014</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	5	<b>291,476</b>	312,978
Contract costs		<u>(265,107)</u>	<u>(283,783)</u>
Gross profit		<b>26,369</b>	29,195
Other income and gains	5	<b>1,351</b>	262
Administrative expenses		<b>(8,628)</b>	(14,008)
Finance costs	6	<b>(407)</b>	(646)
Other expenses, net		<u>(2,582)</u>	<u>—</u>
<b>Profit before tax</b>	7	<b>16,103</b>	14,803
Income tax expense	8	<u>(3,192)</u>	<u>(3,957)</u>
<b>Profit and total comprehensive income for the period</b>		<u><b>12,911</b></u>	<u>10,846</u>
Profit and total comprehensive income attributable to equity holders of the parent		<u><b>12,911</b></u>	<u>10,846</u>
<b>Earnings per share attributable to equity holders of the parent</b>			
Basic and diluted	10	<u><b>HK\$3.2 cents</b></u>	<u>HK\$3.6 cents</u>

Details of dividend are disclosed in note 9 to the condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2015

		Unaudited 30 September 2015 <i>Notes</i> <i>HK\$'000</i>	Audited 31 March 2015 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	75,397	67,221
Pledged deposit for a life insurance product		6,213	6,133
Total non-current assets		81,610	73,354
<b>CURRENT ASSETS</b>			
Gross amount due from customers for contract works		55,968	61,703
Accounts receivable	12	50,554	63,633
Financial assets at fair value through profit or loss		8,507	—
Prepayments, deposits and other receivables		4,253	2,220
Tax recoverable		1,168	789
Time deposits with maturity of more than three months		—	14,945
Cash and cash equivalents		170,063	156,755
Total current assets		290,513	300,045
<b>CURRENT LIABILITIES</b>			
Accounts payable	13	16,836	26,103
Accruals of costs for contract works		61,114	60,187
Other payables and accruals		3,823	4,245
Interest-bearing bank loans	14	30,600	36,066
Dividend payable	9	12,000	—
Total current liabilities		124,373	126,601
<b>NET CURRENT ASSETS</b>		166,140	173,444
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		247,750	246,798
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		97	56
<b>Nets assets</b>		247,653	246,742
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	15	4,000	4,000
Reserves		243,653	242,742
<b>Total equity</b>		247,653	246,742

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Unit B, 10/F., Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong.

The Company is an investment holding company. The Group's principal subsidiaries were engaged in the provision of building services ("Building Services") in Hong Kong.

Pursuant to the reorganisation in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 22 September 2014. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 October 2014 (the "Listing"). Details of the Reorganisation are set out in the section headed "History and Reorganisation" to the prospectus of the Company dated 30 September 2014 (the "Prospectus").

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Team Great Limited ("Team Great"), which is incorporated in the British Virgin Islands ("BVI").

## 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2015 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements set out in Appendix 16 of Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The accounting policies and the basis of preparation adopted in the preparation of this condensed consolidated financial information is consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015 except in relation to the following accounting policies of financial assets at fair value through profit or loss that affect the Company and the Group and has been adopted for the first time for the Period's financial information.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

This condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated. This condensed consolidated financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's Audit Committee.

### 3. PRINCIPAL ACCOUNTING POLICIES

In the Period, the Group has adopted, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA:

Amendments to HKAS 19

*Annual improvements 2010–2012 Cycle*

*Annual improvements 2011–2013 Cycle*

*Defined Benefit Plans: Employee Contributions*

Amendments to a number of HKFRSs

Amendments to a number of HKFRSs

The adoption of these new and revised HKFRSs has had no significant impact on the accounting policies of the Group and the methods of computation in the Group’s unaudited condensed consolidated interim financial information.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective, in this condensed consolidated financial information. The Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application. So far, the Group considers that the new and revised HKFRSs that are not yet effective are unlikely to have a significant impact on the Group’s results of operations and financial position.

### 4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is the provision for Building Services. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

The Group’s revenue from external customers was derived solely from its operations in Hong Kong during the six months ended 30 September 2015 and 2014, and the non-current assets of the Group were located in Hong Kong as at 30 September 2015 and 31 March 2015.

### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
<b>Revenue</b>		
Contract revenue	<u>291,476</u>	<u>312,978</u>
<b>Other income and gains</b>		
Interest income	933	117
Gross rental income	8	120
Gain on disposal of items of property, plant and equipment	48	—
Management fee income	355	25
Sundry income	<u>7</u>	<u>—</u>
	<u>1,351</u>	<u>262</u>

## 6. FINANCE COSTS

Unaudited  
Six months ended  
30 September  
2015                      2014  
HK\$'000                      HK\$'000

Interest on bank loans wholly repayable within five years	407	646
---	-----	-----

## 7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

Unaudited  
Six months ended  
30 September  
2015                      2014  
HK\$'000                      HK\$'000

Depreciation	1,745	1,486
Employee benefit expenses (exclusive of directors' remuneration)	17,374	16,541
Directors' remuneration	5,544	5,137
Exchange loss, net*	1,089	—
Fair value losses on financial assets at fair value through profit or loss*	1,493	—

\* Included in "other expenses, net" in the consolidated statement of profit or loss and other comprehensive income

## 8. INCOME TAX

Hong Kong profit tax has been provided at the rate of 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits arising in Hong Kong for the Period.

Unaudited  
Six months ended  
30 September  
2015                      2014  
HK\$'000                      HK\$'000

Current — Hong Kong charge for the period	3,151	3,849
Deferred	41	108
Total tax charge for the period	3,192	3,957

## 9. DIVIDEND

A final dividend of HK\$3 cents per ordinary share amounting to HK\$12,000,000 for the year ended 31 March 2015 was paid on 16 October 2015 by the Company.

The Board does not recommend the payment of any dividend for the six months ended 30 September 2015 (Six months ended 30 September 2014: Nil).

## 10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share for the Period is based on the consolidated profit attributable to owners of the Company and the weighted average number of 400,000,000 ordinary shares in issue during the Period.

The number of ordinary shares used to calculate the basic earnings per share for the six months ended 30 September 2014 was based on 300,000,000 ordinary shares of the Company, representing the number of ordinary shares of the Company after completion of the Reorganisation and the Capitalisation Issue as defined in note 15 to the condensed consolidated interim financial information, have been in issue throughout the six months ended 30 September 2014.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2015 and 2014 as the Company had no potentially dilutive ordinary share in issue during those periods.

## 11. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group incurred approximately HK\$9,920,000 (six months ended 30 September 2014: approximately HK\$379,000) on the additions of items of property, plant and equipment.

## 12. ACCOUNTS RECEIVABLE

	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
Due from third parties	19,335	39,693
Due from related parties	31,219	23,940
	<u>50,554</u>	<u>63,633</u>

Accounts receivable represented receivables for contract works. The payment terms of receivables for contract works are stipulated in the relevant contracts and the receivables are usually due for settlement within 7 days after the customers receive interim payments from their project employers.

At 30 September 2015, retentions receivable (including those classified under amounts due from related parties) included in accounts receivable amounted to HK\$15,248,000 (31 March 2015: HK\$15,932,000), which are repayable on terms ranging from two to three years.

The credit terms offered to the related parties are similar to those offered to other major independent customers of the Group.

The aging analysis of the accounts receivable that are not individually nor collectively considered to be impaired is as follows:

	Unaudited 30 September 2015 HK\$'000	Audited 31 March 2015 HK\$'000
Past due but not impaired:		
One to three months past due	1,005	1,038
Four to six months past due	—	—
Over six months past due	3,194	2,187
	<u>4,199</u>	<u>3,225</u>
Neither past due nor not impaired:	46,355	60,408
	<u>50,554</u>	<u>63,633</u>

Accounts receivable that were past due but not impaired relate to a number of independent customers and a related party that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancement over these balances.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers and related parties for whom there was no recent history of default.

### 13. ACCOUNTS PAYABLE

An aging analysis of the accounts payable at the end of the reporting date, based on the invoice date, is as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <i>HK\$'000</i>	Audited 31 March 2015 <i>HK\$'000</i>
Current to 3 months	<u>16,836</u>	<u>26,103</u>
	<u><b>16,836</b></u>	<u><b>26,103</b></u>

At 30 September 2015, retentions payable included in accounts payable amounted to HK\$8,970,000 (31 March 2015: HK\$9,374,000) which are normally settled on terms ranging from two to three years.

Accounts payable are non-interest-bearing and are normally settled within three months. The payment terms are stipulated in the relevant contracts.

### 14. INTEREST-BEARING BANK LOANS

Interest-bearing bank loans of the Group are repayable on demand and are analysed as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <i>HK\$'000</i>	Audited 31 March 2015 <i>HK\$'000</i>
Interest-bearing bank loans — repayable on demand, secured and at a floating interest rate	<u><b>30,600</b></u>	<u><b>36,066</b></u>

The Group's bank loans are denominated in Hong Kong dollars. In the opinion of the Directors, the carrying amounts of the Group's bank loans approximate to their fair values.

### 15. ISSUED CAPITAL

#### Shares

	<b>Unaudited</b> <b>30 September</b> <b>2015</b> <i>HK\$'000</i>	Audited 31 March 2015 <i>HK\$'000</i>
Authorised: 1,000,000,000 ordinary shares of HK\$0.01 each	<u><b>10,000</b></u>	<u><b>10,000</b></u>
Issued and fully paid: 400,000,000 ordinary shares of HK\$0.01 each	<u><b>4,000</b></u>	<u><b>4,000</b></u>

The movements in the Company's share capital were as follows:

	Notes	Number of ordinary shares of HK\$0.01 each	Nominal value of ordinary shares HK\$'000
<b>Authorised:</b>			
At 21 May 2014 (date of incorporation)	(a)	37,000,000	370
Increase in authorised share capital on 22 September 2014	(b)	963,000,000	9,630
At 30 September 2014, 31 March 2015, 1 April 2015 and 30 September 2015		<u>1,000,000,000</u>	<u>10,000</u>
<b>Unaudited</b>			
	Notes	Number of shares in issue	Issued capital HK\$'000
<b>Issued and fully paid:</b>			
As at 21 May 2014 (date of incorporation)	(a)	1	—
Issue of shares pursuant to the Reorganisation	(b)	999,999	10
As at 30 September 2014		1,000,000	10
Capitalisation Issue	(c)	299,000,000	2,990
Issue of new shares pursuant to the Share Offer	(d)	100,000,000	1,000
At 31 March 2015, 1 April 2015 and 30 September 2015		<u>400,000,000</u>	<u>4,000</u>

*Notes:*

- (a) Upon incorporation on 21 May 2014, the authorised share capital of Company was HK\$370,000 divided into 37,000,000 shares of HK\$0.01 each. On the date of incorporation, 1 ordinary share of HK\$0.01 was allotted and issued nil paid by the Company to the initial subscriber, Reid Services Limited, which was transferred to Team Great on 13 June 2014.
- (b) On 22 September 2014, an ordinary resolution of the sole shareholder of the Company was passed and pursuant to which:
  - (i) the authorised share capital of the Company was increased from HK\$370,000 to HK\$10,000,000 by the creation of 963,000,000 additional shares of HK\$0.01 each, ranking pari passu in all respects with existing shares of the Company; and
  - (ii) Team Great transferred all the shares it held in Fungs E & M Engineering Company Limited ("Fungs E & M") to Master Grand Investment Company Limited, a direct wholly-owned subsidiary of the Company, in consideration of the Company allotting and issuing 999,999 ordinary shares in connection with the Reorganisation.
- (c) Pursuant to the special resolution of the sole shareholder of the Company passed on 22 September 2014, a sum of HK\$2,990,000 standing to credit of the share premium account of the Company was approved to be capitalised and for the allotment and issue of 299,000,000 ordinary shares of HK\$0.01 each, credited as fully paid at par on 16 October 2014 (the "Capitalisation Issue").
- (d) In connection with the listing of the Company on the Main Board of the Stock Exchange, 100,000,000 new ordinary shares of HK\$0.01 each were issued at a price of HK\$1.1 per share for a total cash consideration, before expenses, of HK\$110,000,000 (the "Share Offer"). Dealings in the shares of the Company on the Stock Exchange commenced on 16 October 2014.



## **16. CONTINGENT LIABILITIES**

In the ordinary course of the Group's Building Services business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Overview**

The Group is principally engaged in the provision of Building Services in Hong Kong as a subcontractor.

The engineering works undertaken by the Group are mainly related to (i) electrical installation works; (ii) air-conditioning installation works; and (iii) fire services installation works. The Group undertakes engineering projects in both public and private sectors, which are mainly building related projects including (i) new building development; and (ii) existing building renovation. All of the Group's revenues were derived in Hong Kong.

As at 30 September 2015, the Group had over 60 one-off projects and retainer projects in progress, with a total estimated outstanding contract sum and work order value of approximately HK\$1,513.6 million. The Group's business is undertaken by an operating subsidiary, Fungs E & M, a Building Services engineering specialist in various building works in both public and private sectors in Hong Kong. Since 1 April 2015, and up to the date of this announcement, the Group was awarded with new contracts with an aggregate estimated contract sum of approximately HK\$711.3 million.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue for the six months ended 30 September 2015 was approximately HK\$291.5 million representing a decrease of approximately 6.9% from approximately HK\$313.0 million for the same period of the last financial year. This decrease was mainly due to the combined effect of lower revenue of HK\$7.9 million for two one-off projects in the public sector in Chai Wan and Central which were substantially completed in the year ended 31 March 2015 while approximately HK\$30.1 million was recognised as revenue for the same period of the last financial year.

#### **Gross profit margin**

The gross profit margin remained steady with a slight decrease from approximately 9.3% for the six months period ended 30 September 2014 to approximately 9.1% for the six months ended 30 September 2015.

#### **Other income and gains**

The Group's other income and gains were approximately HK\$1,351,000 and HK\$262,000 for the six months ended 30 September in 2015 and 2014 respectively. The increase was mainly attributable to the increase in interest income from bank deposits.

#### **Administrative expenses**

The Group's administrative expenses for the six months ended 30 September 2015 was approximately HK\$8.6 million, representing a decrease of 38.4% from approximately HK\$14.0 million for the same period of the last financial year. This was mainly attributable to the recognition of listing expenses of approximately HK\$6.4 million during the six months ended 30 September 2014.

## **Net profit after tax**

For the six months ended 30 September 2015, the Group recorded net profit of approximately HK\$12.9 million, an increase of approximately 19.0% as compared to the net profit of approximately HK\$10.8 million for the corresponding period in the last financial year. This was mainly due to the combined effect of the decrease in administrative expenses and the decrease in gross profit.

## **Liquidity and Financial Resources**

As of 30 September 2015, the Group had cash and cash equivalents of approximately HK\$170.1 million, representing an increase of 8.5% from approximately HK\$156.8 million as of 31 March 2015. The Group did not have pledged deposits other than a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.2 million and HK\$6.2 million as at 30 September 2015 and 31 March 2015, respectively. The increase in cash and cash equivalents during the Period was mainly due to the combined effects of (i) net cash inflow from operating activities of approximately HK\$23.7 million; (ii) the payment of approximately HK\$9.9 million in relation to the purchases of items of property, plant and equipment; (iii) decrease in a time deposit with original maturity of more than three months of approximately HK\$14.9 million; (iv) the payment of approximately HK\$10.0 in relation to the purchases of financial assets at fair value through profit or loss and (v) the repayment of interest-bearing bank loans of approximately HK\$5.5 million.

The total interest-bearing bank borrowings of the Group decreased from approximately HK\$36.1 million as at 31 March 2015 to approximately HK\$30.6 million as at 30 September 2015. All borrowings were repayable on demand and denominated in Hong Kong dollar. The interest rates of the Group's interest-bearing bank borrowings are primarily repriced every month based on the change of HIBOR. The Group currently does not have an interest rate hedging policy and the Group monitors interest risk continuously and considers hedging any excessive risk when necessary. As at 30 September 2015, the total banking facilities of the Group amounted to approximately HK\$102.8 million (31 March 2015: approximately HK\$61.4 million).

Gearing ratio is calculated based on the amount of total interest-bearing bank borrowings divided by the total equity. Decrease in gearing ratio from 14.6% as at 31 March 2015 to 12.4% as at 30 September 2015 was mainly due to the repayment of interest-bearing bank borrowings during the Period.

As at 30 September 2015, the Group had aggregate banking facilities of approximately HK\$72.2 million which was not utilised. As at 30 September 2015, the banking facilities were secured by (i) unlimited corporate guarantee provided by the Company; (ii) legal charge over a building of the Group with carrying amount of approximately HK\$48.2 million; and (iii) a pledged deposit for a life insurance product with a carrying amount of approximately HK\$6.2 million.

## **Contingent Liabilities**

In the ordinary course of the Group's Building Services business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the subcontractors in accidents arising out of and in the course of their employment. The Directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

## **Capital Commitments**

As at 30 September 2015, the Group did not have any significant capital commitments (31 March 2015: Nil).

## **PROSPECTS**

According to the Hong Kong 2015–16 Budget, the Hong Kong Government will allocate approximately HK\$76.1 billion to infrastructure. In addition, the new Long Term Housing Strategy issued in December 2014 has adopted a total housing supply target of 480,000 units for the next decade by providing Home Ownership Scheme flats, public rental housings and securing land supply in order to cater for the mass housing market.

Moreover, the Building Services industry is steering towards designing and installing more complex and more energy efficient systems for buildings in Hong Kong. The public's increasing awareness of energy efficiency, indoor air quality and sustainability have triggered contractors in the Building Services industry to construct better heating, ventilation and air-conditioning systems. Therefore, the design and installation work processes for the servicing of intelligent buildings are more complicated.

In view of the aforesaid increasing public expenditure on infrastructure, the Hong Kong Government housing strategy and market development, the Directors believe that there will be more opportunities for our Building Services business in both private and public sectors in the future. Having considered the Group's solid experience in the Building Services industry, possession of the requisite licences and registrations for undertaking engineering projects in both private and public sectors, the Directors are of the view that the Group is well positioned to capture the emerging business opportunities.

## **FOREIGN EXCHANGE RISK**

Since the Group operates in Hong Kong and all of the revenue and transactions arising from its operations were settled in Hong Kong dollar, and the Group's assets and liabilities are primarily denominated in Hong Kong dollar, the Directors believe that the Group's risk in foreign exchange is insignificant and the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments during the Period.

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

During the Period, there was no acquisition or disposal of subsidiaries and associated companies by the Company.

## **SIGNIFICANT INVESTMENTS**

During the Period, the Company did not hold any significant investment.

## **STAFF AND REMUNERATION POLICY**

As of 30 September 2015, the Group employed 91 employees in Hong Kong. The Group reviewed employees' remuneration from time to time and salary adjustment was normally made on an annual basis with reference to their performance and work experience and with reference to the prevailing market conditions. Staff benefits include mandatory provident fund and training programs.

The total remuneration cost incurred by the Group for the Period was approximately HK\$22.9 million (six months ended 30 September 2014: approximately HK\$21.7 million).

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## **CORPORATE GOVERNANCE**

None of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the six months ended 30 September 2015, fully complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the deviation from the Code Provisions A.6.7.

*Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders.*

The whole Board of Directors and auditors of the Company have attended the annual general meeting of the Company held on 18 September 2015 to ensure an effective communication with the shareholders except that Ir Ho Pun Hing (an Independent non-executive Director and the chairman of the Remuneration Committee of the Company) was unable to attend the meeting due to personal reason.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY**

The Company has adopted a model code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard as set out in the Model Code. Having made specific enquiry of all Directors of the Company, all Directors have confirmed that they complied with the required standards set out in the Model Code during the Period.

## **USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING**

The net proceeds from the share offering received by the Company, after deduction of underwriting commission and other expenses in relation to the share offering, amounted to approximately HK\$92.6 million. The Company does not intend to apply any of the proceeds raised from the listing of the Company for the purposes other than those disclosed in the Company's prospectus dated 30 September 2014.

## **INTERIM DIVIDEND**

The Board resolved not to declare any interim dividend in respect of the Period.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed minimum public float under the Listing Rules.

## **REVIEWED BY AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Dr. Leung Shiu Ki Albert (Chairman), Ir Ho Pun Hing, Ir Szeto Ka Sing, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed the Group’s condensed consolidated financial information for the six months ended 30 September 2015, including the accounting principles adopted by the Group, with the Company’s management.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement will be published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ngachun.com.hk>). The Company’s interim report for the Period will also be despatched to the shareholders of the Company and made available for review on the aforesaid website in due course.

By Order of the Board of  
**Nga Chun Holdings Company Limited**  
**Fung Chi Wing**  
*Chairman*

Hong Kong, 26 November 2015

*As at the date of this announcement, the Board comprises Mr. Fung Chi Wing, Ir Wong Chi Wai, Ms. Fung Mei Lan as executive Directors; and Ir Ho Pun Hing, Ir Szeto Ka Sing, Dr. Leung Shiu Ki Albert as independent non-executive Directors.*