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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

FINANCIAL HIGHLIGHTS

Revenue increased by approximately 83.5% to approximately HK\$595,477,000.

Gross profit increased by approximately 26.3% to approximately HK\$59,054,000.

Profit attributable to equity holders of the Company increased by approximately 65.5% to approximately HK\$30,677,000.

Earnings per share increased by approximately 26.8% to approximately HK7.67 cents.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of New Concepts Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2015 (the “Period”) together with the comparative figures for the corresponding period.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 September 2015

		Six months ended	
		30 September	
		2015	2014
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	595,477	324,536
Cost of sales		(536,423)	(277,778)
Gross profit		59,054	46,758
Other income and net gains		701	3,184
Administrative expenses		(10,574)	(5,413)
Other operating expenses		(12,238)	(19,026)
Operating profit		36,943	25,503
Finance costs	5	(2,507)	(352)
Profit before taxation	6	34,436	25,151
Income tax expense	7	(3,759)	(6,616)
Profit and total comprehensive income attributable to equity holders of the Company		30,677	18,535
Earnings per share — basic	8	7.67	6.05
— diluted	8	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	<u>210,046</u>	<u>184,865</u>
Current assets			
Trade and other receivables	11	200,278	126,233
Amounts due from customers for contract work		28,013	33,382
Amount due from a director		—	18,310
Bank and cash balances	12	<u>105,294</u>	<u>57,088</u>
		<u>333,585</u>	<u>235,013</u>
Total assets		<u>543,631</u>	<u>419,878</u>
EQUITY			
Capital and reserves			
Share capital		40,000	40,000
Reserve		<u>146,502</u>	<u>115,825</u>
Total equity		<u>186,502</u>	<u>155,825</u>
LIABILITIES			
Non-current liabilities			
Loan from a director		—	18,310
Deferred tax liabilities		16,530	14,616
Obligations under finance leases		<u>77,283</u>	<u>59,120</u>
		<u>93,813</u>	<u>92,046</u>
Current liabilities			
Trade and other payables	13	174,154	111,103
Amounts due to customers for contract work		28,110	904
Bank borrowings — secured		8,315	4,000
Obligations under finance leases		50,417	55,525
Provision for taxation		<u>2,320</u>	<u>475</u>
		<u>263,316</u>	<u>172,007</u>
Total liabilities		<u>357,129</u>	<u>264,053</u>
Total equity and liabilities		<u>543,631</u>	<u>419,878</u>
Net current assets		<u>70,269</u>	<u>63,006</u>
Total assets less current liabilities		<u>280,315</u>	<u>247,871</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. GENERAL INFORMATION

New Concepts Holdings Limited 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. Its registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY-1108, Cayman Islands. Its principal place of business in Hong Kong is Room 1812, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon, Hong Kong and the Company has been registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance on 20 June 2014. The Company's shares (the "Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group's subsidiaries are principally engaged in foundation works, civil engineering works and general building works.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report of the Company for the year ended 31 March 2015.

The condensed consolidated results have not been audited but have been reviewed by the audit committee of the Company (the "Audit Committee").

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2015 except for the adoption of the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not yet adopted any new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and revised HKFRSs on the Group's results and financial position.

4. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the revenue derived from foundation works, civil engineering works and general building works as follows:

	Six months ended 30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Foundation works	482,784	228,487
Civil engineering works	86,210	39,343
General building works	26,483	56,706
	595,477	324,536

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

The Group’s current operating segments are (i) foundation works; (ii) civil engineering works; and (iii) general building works. The CODM considered that the business of the Group is organised in three operating segments, which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

(a) Segment information

The following is an analysis of the Group’s revenue and results by operating segments.

For the six months ended 30 September 2015 (Unaudited)

	Foundation works	Civil engineering works	General building works	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	482,784	86,210	26,483	595,477
Segment cost	431,100	74,188	31,135	536,423
Segment profit/(loss)	51,684	12,022	(4,652)	59,054
Unallocated — other income and net gains				701
Unallocated expenses				(22,812)
Finance costs				(2,507)
Profit before taxation				34,436
Income tax expense				(3,759)
Profit for the period				30,677

4. REVENUE AND SEGMENTAL INFORMATION (CONT'D)

(a) Segment information (Cont'd)

For the six months ended 30 September 2014 (Unaudited)

	Foundation works <i>HK\$'000</i>	Civil engineering works <i>HK\$'000</i>	General building works <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	228,487	39,343	56,706	324,536
Segment cost	193,344	37,739	46,695	277,778
Segment profit	35,143	1,604	10,011	46,758
Unallocated — other income and net gains				3,184
Unallocated expenses				(24,439)
Finance costs				(352)
Profit before taxation				25,151
Income tax expense				(6,616)
Profit for the period				18,535

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. For the purposes of resource allocation and performance assessment, the segment profit is reported to the CODM as standard of measurement.

All of the segment revenues reported above are from external customers.

5. FINANCE COSTS

	Six months ended 30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans and overdrafts	523	16
Finance lease charges	1,984	336
	<u>2,507</u>	<u>352</u>

6. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before taxation is stated after charging the following items:		
Rental charge under operating lease	524	524
Depreciation of property, plant and equipment	12,820	3,009
Staff costs (including directors' remuneration)		
— Salaries, wages and other benefits	39,663	15,910
— Mandatory provident fund contributions	1,181	487
	<u>40,844</u>	<u>16,397</u>

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The tax charge comprises		
— Hong Kong profits tax	1,845	4,974
— Deferred taxation — current period	1,914	1,642
	<u>3,759</u>	<u>6,616</u>

The Company is tax exempted under the laws of the Cayman Islands. The subsidiaries operating in Hong Kong are subject to Hong Kong profits tax at a tax rate of 16.5% on the estimated assessable profit arising in Hong Kong.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on (i) the consolidated profit attributable to equity holders of the Company for the Period of approximately HK\$30,677,000 (for the six months ended 30 September 2014: approximately HK\$18,535,000); and (ii) weighted average number of shares in issue during the Period of 400,000,000 (for the six months ended 30 September 2014: 306,557,377 shares in issue, being the number of shares in issue immediately after the completion of capitalisation issue throughout the Period).

For the Period and the six months ended 30 September 2014, no diluted earnings per share have been presented as there were no potential ordinary shares in issue during both periods.

9. DIVIDEND

The Board did not recommend an interim dividend for the Period (for the six months ended 30 September 2014: HK\$15,000,000).

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment amounting to approximately HK\$38,001,000 (for the six months ended 30 September 2014: HK\$22,148,000).

11. TRADE AND OTHER RECEIVABLES

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Contract receivables (<i>note (a)</i>)	115,003	76,444
Retention receivables (<i>note (b)</i>)	80,751	44,659
	<hr/>	<hr/>
Total trade receivables	195,754	121,103
Other receivables, deposits and prepayments	4,524	5,130
	<hr/>	<hr/>
	200,278	126,233
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Notes:

(a) Contract receivables

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

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

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
0–30 days	21,912	42,538
31–60 days	47,792	23,004
61–90 days	8,084	10,902
Over 90 days	37,215	—
	<hr/>	<hr/>
	115,003	76,444
	<hr/> <hr/>	<hr/> <hr/>

(b) Retention receivables had not past their due dates as at 30 September 2015 and 31 March 2015. They are settled in accordance with the terms of respective contracts. Retention receivables are denominated in HK\$.

12. BANK AND CASH BALANCES

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Bank and cash balances	94,513	41,653
Pledged bank deposits (<i>note</i>)	10,781	15,435
	<hr/>	<hr/>
	105,294	57,088
	<hr/> <hr/>	<hr/> <hr/>

Note:

Pledged bank deposits represents deposits pledged to bank to secure banking facilities granted to the Group as at 30 September 2015 and 31 March 2015.

The carrying amounts of the cash and cash equivalents are denominated in HK\$.

13. TRADE AND OTHER PAYABLES

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Trade payables (<i>note</i>)	104,176	69,338
Retention payables	53,073	33,786
Provision for long service payment	488	264
Provisions for annual leave	430	238
Accruals and other payables	15,987	7,477
	<u>174,154</u>	<u>111,103</u>

Note:

During the Period, 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:

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
0–30 days	36,816	45,148
31–60 days	29,084	24,084
61–90 days	22,061	23
Over 90 days	16,215	83
	<u>104,176</u>	<u>69,338</u>

MANAGEMENT DISCUSSION AND ANALYSIS

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

Business Review

For the Period, the Group recorded a consolidated revenue amounting to approximately HK\$595,477,000, representing a significant growth of approximately 83.5% as compared with HK\$324,536,000 for the corresponding period of 2014. Gross profit for the Period was approximately HK\$59,054,000, representing an increase of approximately 26.3% as compared to the corresponding period of 2014. Profit attributable to the equity holders of the Company was approximately HK\$30,677,000 for the Period, representing a significant increase of approximately 65.5% as compared to the corresponding period of 2014. Basic earnings per share for the Period was HK7.67 cents as compared with approximately HK6.05 cents for the corresponding period of 2014.

The significant increase in revenue for the Period was mainly due to the increases in the number and average contract sum of construction projects undertaken by the Group, driven by the increased construction activities and public spending on infrastructure by the Hong Kong Government. During the Period, the Group has undertaken three sizable foundation projects, namely, Wong To Yick Project, Kai Tak Project, Tseung Kwan O TL95 Project and one sizable civil engineering project referred to as Kau To 579 Project. The total contract sum of these four projects was approximately HK\$762,860,000 and the revenue contributed by these four projects was approximately HK\$302,837,000, representing approximately 50.9% of the total revenue during the Period.

Although the revenue and gross profit for the Period increased, the overall gross profit margin of the Group decreased from approximately 14.4% for the six months ended 30 September 2014 to 9.9% for the Period. The decrease in overall gross profit margin was mainly due to the increased competition in the foundation business. In order to bid the tender successfully, the profit margin has to be set lower.

In addition, the decrease in gross profit margin was also due to the gross loss of general building project, attributable to the increase in subcontracting charges during the Period.

Segmental Analysis

Foundation Project

The foundation works of the Group include bored piling, driven H-piling, socketed H-piling, mini-piles, footing foundation and pile cap works. The acquisition of large foundation equipment and hiring of more professional and skilled staff have enabled the Group to tender for larger scale foundation projects. During the Period, the Group has successfully bid a number of foundation projects and has also undertaken a number of sizable foundation projects which were in general of a larger size than those completed in the past years.

For the Period, revenue of foundation projects amounted to approximately HK\$482,784,000, representing a significant growth of approximately 111.3% as compared with HK\$228,487,000 in the corresponding period of last year. This revenue contributed approximately 81.1% of the Group's revenue. The significant increase in revenue was mainly attributed to the increases in the number and scale of projects for foundation works, as well as the average contract value for these projects carried out during the Period.

Gross profit of foundation projects for the Period was approximately HK\$51,684,000, representing a growth of approximately 47.1% as compared with approximately HK\$35,143,000 in the corresponding period of last year. The increase in gross profit was mainly attributed to the increases in the number and average contract value of foundation works for the Period.

The overall profit margin of the foundation project for the Period decreased to 10.7% from 15.4% for the corresponding period of 2014. Such decrease was attributed to comparatively lower profit margin of overall projects for the Period. The decrease in gross profit margin was mainly due to the increased competition in the foundation business. In order to bid the tender successfully, the profit margin has to be set lower. Besides, certain new projects have just been commenced and had incurred significant preliminary expenses during the Period. Thus the gross profit margin decreased as compared to that of last period.

Civil Engineering Project

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.

For the Period, revenue of civil engineering projects amounted to HK\$86,210,000, representing a significant increase of approximately 119.1% as compared with HK\$39,343,000 in the corresponding period of last year. This revenue contributed approximately 14.5% of the Group's overall revenue.

Gross profit of civil engineering projects for the Period was HK\$12,022,000, representing a hyper growth of approximately 649.5% as compared with HK\$1,604,000 in the corresponding period of last year. The significant increases in revenue and gross profit were mainly due to an increase in average contract sum of construction projects undertaken by the Group for the Period. During the Period, the Group had undertaken one sizable civil engineering project referred to as Kau To 579 Project, which was awarded in March 2015. The contract sum of the project was approximately HK\$152,990,000 and the revenue contributed by the project was approximately HK\$64,290,000, representing approximately 74.6% of the total revenue generated from civil engineering projects for the Period.

The overall profit margin of the civil engineering project increased to approximately 13.9% for the Period from approximately 4.1% as compared to the corresponding period of last year. Such increase was attributed to the relatively higher profit margin for Kau To 579 Project during the Period. As Kau To 579 project is a composite project, the scope of which includes foundation and site formation, hence the competition was lower and therefore the profit margin was comparatively higher.

General Building Project

The Group acts as the 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.

For the Period, revenue of general building projects amounted to approximately HK\$26,483,000, representing a significant decrease of approximately 53.3% as compared with HK\$56,706,000 in the corresponding period of last year. This revenue contributed approximately 4.4% of the Group's overall revenue.

Gross loss of general building projects for the Period was HK\$4,652,000 as compared with gross profit of HK\$10,011,000 in the corresponding period of last year.

Such gross loss was mainly attributable to the increase in subcontracting charges resulting from the high inflation of various construction costs during the Period. The increase in subcontracting charges was also due to the complexity of the works and the unforeseen underground difficulties, such as high ground water level for one of our building project.

New Projects Awarded

During the Period, the Group had secured 8 new contracts with an aggregate contract value of approximately HK\$388,520,000, among which projects related to foundation and civil engineering accounted for approximately 54% and 46%, respectively. The details of new projects awarded are as follows:

Name of project	Location	Sector	Main category of works
South Bay Project	23 South Bay Close, Repulse Bay, Hong Kong	Foundation	Construction of Pipe Pile wall and Socketed H-Piles
Pak Shek Kok 213 Project	Tai Po Town Lot No. 213, Pak Shek Kok, New Territories	Civil Engineering	Site formation, removal and disposal of existing filled materials
Pak Shek Kok 214 Piling Project	Tai Po Town Lot No. 214 at Fo Yin Road, Pak Shek Kok, New Territories	Foundation	Construction of Hoarding, demolition, sheet pile and Driven H-Piles
Tuen Mun Siu Lun Project	Area 14 (Siu Lun), Tuen Mun, New Territories	Foundation	Design and Build of Socketed H-Piles
Tuen Mun Siu Sau Project	TMTL 435, Castel Peak Road — Tai Lam, Area 55, Siu Sau, Tuen Mun, New Territories	Civil Engineering	Tree Felling, Design and Build of site formation, ELS, Pipe Pile, Socketed H-Piles, Bored Piles and Pile Caps
Central-Wan Chai Bypass Piling Project	Hong Kong Convention and Exhibition Centre, Hong Kong	Foundation	Construction of Socketed H-Piles
Harbour Area Treatment-Piling Project	Wah Fu Estate, Aberdeen, Hong Kong	Foundation	Construction of Socketed H-Piles
Fu Shan Columbarium Piling Project	Fu Shan Columbarium, Shatin, New Territories	Foundation	Construction of Mini-Piles

Projects in Progress

As at 30 September 2015, the Group had 18 projects in progress with an aggregated contract value of approximately HK\$1,630,450,000. The details of projects in progress are as follows:

Name of project	Location	Sector	Main category of works
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	Foundation	Construction of Mini-Piles
Tsing Yi Project	Chung Mei Road, Tsing Yi, New Territories	Foundation	Excavation and Lateral Support and Underground Drainage Works
Tseung Kwan O Project	Town Lot No. 117, Tseung Kwan O, Kowloon	Foundation	Excavation and Lateral Support and Underground Drainage Works
Wan Chai APA Project	Hong Kong Academy for Performing Arts, 1 Gloucester Road, Wanchai, Hong Kong	Foundation	Construction of Socketed H-Piles, Earthworks and Underground Drainage
Sai Yuen Lane Project	I.L.3915 R.P. at Nos. 1–17 Sai Yuen Lane, Hong Kong	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works
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, New Territories	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works
Sai Kung ELS Project	Lot No. 1950 in DD221, Wai Man Road, Sai Kung, New Territories	Foundation	Construction of ELS and Raft Foundation Works
Kai Tak Project	NKIL 6526, Kai Tak Area 11 Site 2, Kai Tak, Kowloon	Foundation	Construction of Driven H-Piles, ELS and Pile Cap Works
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	Foundation	Construction of Large Diameter Bored Piles, Socketed H-Piles and Steel Sheet Piles

Name of project	Location	Sector	Main category of works
Pak Shek Kok 214 Piling Project	Tai Po Town Lot No. 214 at Fo Yin Road, Pak Shek Kok, New Territories	Foundation	Construction of Hoarding, demolition, sheet pile and Socketed H-Piles
Tuen Mun Siu Lun Project	Area 14 (Siu Lun), Tuen Mun, New Territories	Foundation	Design and Build of Socketed H-Piles
Tuen Mun Siu Sau Project	TMTL 435, Castel Peak Road — Tai Lam, Area 55, Siu Sau, Tuen Mun, New Territories	Civil Engineering	Tree Felling, Design and Build of site formation, ELS, Pipe Pile, Socketed H-Piles, Bored Piles and Pile Caps
Central-Wan Chai Bypass Piling Project	Hong Kong Convention and Exhibition Centre, Hong Kong	Foundation	Construction of Socketed H-Piles
Harbour Area Treatment-Piling Project	Wah Fu Estate, Aberdeen, Hong Kong	Foundation	Construction of Socketed H-Piles
Fu Shan Columbarium Piling Project	Fu Shan Columbarium, Shatin, New Territories	Foundation	Construction of Mini-Piles
MacDonnell Road Project	No. 3 MacDonnell Road, Mid-levels, Hong Kong	Building	Construction of Soldier Pile, ELS, Pile Cap and Basement Works
Kau To 579 Project	Shatin Lot S.T.T.L. 563, Area 56A, Kau To, New Territories	Civil Engineering	Site Formation and Construction of Pipe Piles (323ø and 610ø) and Pad Footings
Tseung Kwan O TL 95 Project	Tseung Kwan O, Town Lot No. 95, Hong Kong	Foundation	Construction of ELS and Pile Cap Works

Completed Projects

During the Period, the Group completed 11 projects. The details of completed projects are as follows:

Name of project	Location	Sector	Main category of works
Wanchai Road Project	No.101–111 Wanchai Road, Wan Chai, Hong Kong	Foundation	Excavation and Pile Cap Works
Des Voeux Road West Project	307–329 Des Voeux Road West, Hong Kong	Foundation	Construction of Large Diameter Bored Piles, ELS and Pile Cap Works

Name of project	Location	Sector	Main category of works
Hin Keng Station Project	Shatin to Central Link, Contract 1102 — Hin Keng Station, New Territories	Foundation	Minipile for Temporary Viaduct Platform and Pumping Test System at At-Grade Box
Tuen Mun Town Project	TMTL No. 509, Area 2, Tuen Mun, New Territories	Foundation	Construction of Large Diameter Bored Piles
Tsing Yi 9 Project	Tsing Yi Lot No. 181 on Tsing Yi Hong Wan Road, New Territories	Foundation	Construction of Large Diameter Bored Piles
Harbour Area (South HK) Project	Sandy Bay, Cyberport, Wah Fu, Aberdeen and Ap Lei Chau, Hong Kong	Foundation	Construction of Pre-bored H-Piles
Oil Street Project	Oil Street, North Point, I.L. No. 8920 Hong Kong	Foundation	Earthwork (ELS, Pile Caps, Tie Beams and Steel Working Platform) and Associated Works
South Bay Project	23 South Bay Close, Repulse Bay, Hong Kong	Foundation	Construction of Pipe Pile wall and socketed H-Piles
Pak Shek Kok 213 Project	Tai Po Town Lot No. 213, Pak Shek Kok, New Territories	Civil Engineering	Site formation, removal and disposal of existing filled materials
Kau To Project	Shatin Lot S.T.T.L.563, Area 56A, Kau To, New Territories	Civil Engineering	Site Formation and Construction of Pipe Piles and Pad Footings
Pak Shek Kok 214 Project	Tai Po Town Lot No. 214, Fo Yin Road, Pak Shek Kok, Tai Po, New Territories	Civil Engineering	Removal and Disposal of Existing Filled Materials

Outlook

The Group shall keep focusing on foundation construction work and our management remains positive on the prospect of the construction industry taking into consideration the prospect of the public infrastructure development in Hong Kong. According to the Government's Budget 2015/16, it is estimated that capital expenditure for 2015/16 will be HK\$86.5 billion, including HK\$70 billion on capital works. The government policies set favorable conditions for the development of the construction industry and will boost the demand of our business and provide more job opportunities on our foundation construction work.

During the Period, the listing status of the Company in Group II under the "Land Piling" category on the list of Approved Suppliers of Materials and Specialist Contractors for Public Works of the Works Branch of the Development Bureau, has been extended to include "Large Diameter Bored Pile (with Bell-out)" piling system. This enables our Group to submit more tenders and capture more works on the foundation business in future.

While the construction industry is set to sustain growth, there remains ongoing challenges including continuously rising operating costs and subcontractor fees, as well as a shortage of skilled labour. As a result of labour shortage and as an incentive to attract and keep experienced workers in the industry, the wages of construction workers are expected to further increase in the immediate future.

With an intense competition in the construction industry, the Group will implement measures to achieve cost efficiency through foundation design optimisation and competitive sub-contractor selection processes enforcement so as to improve operational efficiency and to control cost, hence increase cost effectiveness. As part of our corporate social responsibility, the Group will also maintain sufficient resources to upkeep the general safety, health and environmental standard of the projects.

With its proven track records, adequate expertise and numerous licenses and qualifications, the Directors believe that the Group could strengthen its position in Hong Kong market.

Financial Review

Results

Revenue of the Group for the Period was approximately HK\$595,477,000, representing an increase of approximately 83.5% from approximately HK\$324,536,000 for the six months ended 30 September 2014. Gross profit increased by approximately 26.3% from approximately HK\$46,758,000 for the six months ended 30 September 2014 to approximately HK\$59,054,000 for the Period. Total comprehensive income attributable to equity holders of the Company increased by approximately 65.5% to approximately HK\$30,677,000 for the Period from approximately HK\$18,535,000 for the corresponding period of last year. The overall gross profit margin of the Group decreased from approximately 14.4% for the six months ended 30 September 2014 to approximately 9.9% for the Period.

The decrease in overall gross profit margin was mainly attributed to the increases in materials cost and subcontracting charges during the Period as compared with the corresponding period of last year. The increase in total comprehensive income attributable to equity holders of the Company was mainly attributed to the increases in the number and scale of projects for foundation works, as well as its average contract value for projects carried out during the Period.

Basic earnings per share for the Period increased to HK7.67 cents per share when compared with HK6.05 cents per share for the six months ended 30 September 2014, based on the profit attributable to equity holders of the Company of HK\$30,677,000 (for the six months ended 30 September 2014: HK\$18,535,000) and the weighted average of 400,000,000 shares (for the six months ended 30 September 2014: 306,557,377) in issue during the Period.

Other income and net gains

Other income and net gains of the Group decreased from a net gain of approximately HK\$3,184,000 for the six months ended 30 September 2014 to a net gain of approximately HK\$701,000 for the Period, mainly due to the decrease in machinery rental income for an amount of approximately HK\$2,173,000 during the Period.

Administrative expenses

Administrative expenses of the Group increased by approximately 95.3% from approximately HK\$5,413,000 for six months ended 30 September 2014 to approximately HK\$10,574,000 for the Period, representing approximately 1.7% and 1.8% of the Group's revenue for the 2015 and 2014 reporting periods, respectively. The increase in administrative expenses was primarily due to an increase in both the directors' emoluments and the staff costs during the Period.

Finance costs

Finance costs of the Group increased by approximately 612.2% from approximately HK\$352,000 for the six months ended 30 September 2014 to approximately HK\$2,507,000 for the Period, primarily due to an increase in interest expenses on finance lease incurred during the Period.

Interest rates of finance leases and bank loans ranged from approximately 1.18% to 3.95% for the Period, as compared with approximately 1.18% to 3.25% for the six months ended 30 September 2014.

Other operating expenses

Other operating expenses decreased by approximately 35.7% from approximately HK\$19,026,000 for the six months ended 30 September 2014 to approximately HK\$12,238,000 for the Period, primarily due to an one-off non-recurring listing expenses of approximately HK\$9,646,000 incurred last period.

Taxation

Tax charge decreased by approximately 43.2% from approximately HK\$6,616,000 for the six months ended 30 September 2014 to approximately HK\$3,759,000 for the Period, primarily due to tax loss of approximately HK\$9,513,000 brought forward from 31 March 2015.

Liquidity and financial resources

The Group maintained a sound financial position during the Period. As at 30 September 2015, the Group had bank and cash balances of approximately HK\$105,294,000, out of which approximately HK\$10,781,000 were pledged bank deposits (as at 31 March 2015: approximately HK\$57,088,000, out of which approximately HK\$15,435,000 were pledged bank deposits).

The total interest-bearing loans comprising finance lease and bank borrowings of the Group as at 30 September 2015 were approximately HK\$136,015,000 (as at 31 March 2015: approximately HK\$118,645,000), and current ratio as at 30 September 2015 was approximately 1.27 (as at 31 March 2015: approximately 1.37).

The Group's borrowings and bank and cash balances are principally denominated in Hong Kong dollar and there is no significant exposure to foreign exchange rate fluctuations.

Gearing ratio

The gearing ratio as at 30 September 2015 was approximately 72.93% (as at 31 March 2015: approximately 76.14%).

The decrease in gearing ratio was mainly attributable to the increase in shareholders' equity contributed during the Period.

The gearing ratio is calculated as the payables incurred not in the ordinary course of business divided by total equity as at the end of respective periods.

Pledge of assets

As at 30 September 2015, the Group pledged certain of its bank deposits with aggregate value of approximately HK\$10,781,000 (as at 31 March 2015: approximately HK\$15,435,000) as collateral to secure banking facilities granted to the Group. Save for the above, the Group did not have any charges on its assets (as at 31 March 2015: Nil).

Foreign Exchange Exposure

All of the revenue-generating operations of the Group were transacted in Hong Kong dollar which is the presentation currency of the Group. For the Period, there was 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

There had been no change in capital structure of the Company during the Period. 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 bank borrowings.

Capital commitments

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

Human Resources Management

As at 30 September 2015, the Group had 185 (as at 31 March 2015: 155) employees, including Directors. Total staff costs (including Directors' emoluments) were approximately HK\$40,844,000 for the Period as compared to approximately HK\$16,397,000 for the six months ended 30 September 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 Period, 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 Period, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Contingent liabilities

As at 30 September 2015, the Group had an outstanding performance bond for construction contracts amounted to approximately HK\$112 million (as at 31 March 2015: approximately HK\$23.9 million).

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Period (for the six months ended 30 September 2014: HK2.5 cents per share).

EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW

Disposal of Shares by Controlling Shareholder

On 16 October 2015, Prosper Power Group Ltd. (“Prosper Power”), the controlling shareholder of the Company, disposed of 116,000,000 shares of the Company (the “Disposal”), representing 29% of the total issued shares of the Company as at 16 October 2015 to two purchasers at a price of HK\$2.50 per share, representing an approximate 16.28% discount over the average daily closing price of the Company’s shares in the 5 days immediately before the date of the Disposal.

Upon completion of the Disposal, the number of shares of the Company held by the Prosper Power reduced from 300,000,000 shares, representing 75% of the total issued shares of the Company, to 184,000,000 shares, representing 46% of the total issued shares of the Company as at 16 October 2015.

For details of the Disposal, please refer to the announcement of the Company dated 16 October 2015.

Pledge of Shares by Controlling Shareholder

On 3 November 2015, Prosper Power entered into a loan agreement with an independent third party which is an entity independent of the Company and its connected persons (the “Lender”) in relation to the provision of a loan to Prosper Power in the principal amount of HK\$360,000,000 (the “Loan”) and pursuant to which Prosper Power had pledged 184,000,000 shares of the Company (the “Charged Shares”) as security for the Loan in favour of the Lender. The Charged Shares represented approximately 46% of the issued shares of the Company as at 3 November 2015.

For details of the pledge of shares by controlling shareholder of the Company aforesaid, please refer to the announcement of the Company dated 3 November 2015.

COMPETITION AND CONFLICT OF INTERESTS

Save and except for interests in the Group, none of the directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

Pursuant to a resolution passed by the Board on 26 August 2014, 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 Period.

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 enhancements of the efficiency and effectiveness of such principles and practices.

In the opinion of the Directors, the Company has complied with all the code provisions (the “Code Provisions”) of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Period.

AUDIT COMMITTEE

The Audit Committee 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 Code Provisions. The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company’s financial reporting system and internal control procedures, and to provide advice and comments to the Board. The members meet regularly with the external auditor and/or the Company’s senior management for the review, supervision and discussion of the Company’s financial reporting and internal control procedures and ensure that the management has discharged its duty to have an effective internal control system.

The Audit Committee comprises three independent non-executive Directors, namely Dr. Tong Ka Lok (Chairman of the Audit Committee), Mr. Lo Chun Chiu, Adrian and Mr. Choy Wai Shek, Raymond, *MH, JP*.

The interim results of the Group for the Period are unaudited but have been reviewed by the Audit Committee, which is of the opinion that the interim financial information of the Group comply with the applicable accounting principles and practices adopted by the Group as well as the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INTERIM REPORT

The Company’s interim report containing information required to be disclosed pursuant to Appendix 16 to the Listing Rules 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 will be dispatched to the shareholders in due course.

By Order of the Board
New Concepts Holdings Limited
Chu Shu Cheong
Chairman and Executive Director

Hong Kong, 26 November 2015

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