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NOBLE ENGINEERING GROUP HOLDINGS LIMITED

怡康泰工程集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8445)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Noble Engineering Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

Unaudited Interim Results

The unaudited consolidated interim results of the Group for the three months and six months ended 30 September 2022, together with the unaudited comparative figures for the corresponding periods in 2021, are as follows:

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	45,242	82,158	107,739	157,718
Direct costs		<u>(48,823)</u>	<u>(82,155)</u>	<u>(106,829)</u>	<u>(156,874)</u>
Gross (loss) profit		(3,581)	3	910	844
Other income	4	17	2	17	3
Administrative and other operating expenses		(2,699)	(2,669)	(5,211)	(5,305)
Finance costs	6(a)	<u>(1)</u>	<u>(3)</u>	<u>(3)</u>	<u>(5)</u>
Loss before income tax	6	(6,264)	(2,667)	(4,287)	(4,463)
Income tax credit	7	<u>51</u>	<u>75</u>	<u>103</u>	<u>151</u>
Loss and total comprehensive expense for the period attributable to owners of the Company		<u>(6,213)</u>	<u>(2,592)</u>	<u>(4,184)</u>	<u>(4,312)</u>
Loss per share					
Basic and diluted (HK\$)	8	<u>(0.025)</u>	<u>(0.012)</u>	<u>(0.018)</u>	<u>(0.024)</u>

Details of dividends of the Company are set out in note 9.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
NON-CURRENT ASSETS			
Plant and equipment	10	755	1,524
Right-of-use asset		68	135
Equity investment at fair value through other comprehensive income		70	70
Deferred tax assets		372	269
		1,265	1,998
CURRENT ASSETS			
Contract assets		59,320	43,837
Trade and other receivables	11	14,992	19,969
Bank and cash balances		37,697	44,516
		112,009	108,322
CURRENT LIABILITIES			
Trade and other payables	12	14,864	17,926
Lease liability		70	138
		14,934	18,064
NET CURRENT ASSETS		97,075	90,258
NET ASSETS		98,340	92,256
CAPITAL AND RESERVES			
Share capital	13	12,564	10,470
Reserves	14	85,776	81,786
TOTAL EQUITY		98,340	92,256

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to equity shareholders of the Company				Total
	Share capital (Note 13) HK\$'000	Share premium (Note 14) HK\$'000	Other reserve (Note 14) HK\$'000	Retained earnings (Accumulated losses) HK\$'000	
Balance at 1 April 2022					
(Audited)	10,470	68,012	10,000	3,774	92,256
Loss and total comprehensive expense for the period	–	–	–	(4,184)	(4,184)
Issue of shares on placement	2,094	8,174	–	–	10,268
Balance at 30 September 2022					
(Unaudited)	<u>12,564</u>	<u>76,186</u>	<u>10,000</u>	<u>(410)</u>	<u>98,340</u>

For the six months ended 30 September 2021

	Attributable to equity shareholders of the Company				Total
	Share capital (Note 13) HK\$'000	Share premium (Note 14) HK\$'000	Other reserve (Note 14) HK\$'000	Retained earnings HK\$'000	
Balance at 1 April 2021					
(Audited)	6,980	57,721	10,000	40,194	114,895
Loss and total comprehensive expense for the period	–	–	–	(4,312)	(4,312)
Rights issue of shares	3,490	10,291	–	–	13,781
Balance at 30 September 2021					
(Unaudited)	<u>10,470</u>	<u>68,012</u>	<u>10,000</u>	<u>35,882</u>	<u>124,364</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	<u>(17,030)</u>	<u>(17,408)</u>
Net cash used in operating activities	<u>(17,030)</u>	<u>(17,408)</u>
Cash flows from investing activities		
Others	<u>15</u>	<u>3</u>
Net cash generated from investing activities	<u>15</u>	<u>3</u>
Cash flows from financing activities		
Increase in pledged bank deposits	(19)	(3)
Rights issue of shares	–	13,781
Issue of shares on placement	10,268	–
Others	<u>(68)</u>	<u>(71)</u>
Net cash generated from financing activities	<u>10,181</u>	<u>13,707</u>
Net decrease in cash and cash equivalents	<u>(6,834)</u>	<u>(3,698)</u>
Cash and cash equivalents at beginning of period	<u>39,308</u>	<u>37,568</u>
Cash and cash equivalents at ending of period	<u><u>32,474</u></u>	<u><u>33,870</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

The Company is an investment holding company. The Company and its subsidiaries is principally engaged in provision of wet trades works services.

The Company was incorporated in the Cayman Islands on 12 April 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the GEM of the Stock Exchange with effect from 29 September 2017.

As at 30 September 2022 and 2021, its parent and ultimate holding company is Land Noble Holdings Limited (“**Land Noble**”), a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Tse Chun Yuen (“**Mr. Eric Tse**”) and 50% by Mr. Tse Chun Kuen (“**Mr. CK Tse**”).

The addresses of the registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Room 9, 25/F., CRE Centre, 889 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

These unaudited condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$’000**”), which is the same as 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 (“**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of equity investments at fair value through other comprehensive income which are carried at its fair value.

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue and other income recognised during the respective periods are as follows:

(a) Disaggregation of revenue from contracts with customers

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<i>Geographical markets</i>				
Hong Kong	<u>45,242</u>	<u>82,158</u>	<u>107,739</u>	<u>157,718</u>
<i>Major services</i>				
Provision of wet trades works services	<u>45,242</u>	<u>82,158</u>	<u>107,739</u>	<u>157,718</u>
<i>Timing of revenue recognition</i>				
Over time	<u>45,242</u>	<u>82,158</u>	<u>107,739</u>	<u>157,718</u>

(b) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as at 30 September 2022 and 2021.

	As at 30 September	
	2022 HK\$'000	2021 HK\$'000
Remaining performance obligations expected to be satisfied during the years ended/ending:		
30 September 2022	–	172,750
30 September 2023	93,269	75,982
30 September 2024	<u>86,569</u>	<u>–</u>
	<u>179,838</u>	<u>248,732</u>

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Other income				
Bank interest income	<u>17</u>	<u>2</u>	<u>17</u>	<u>3</u>

5 SEGMENT INFORMATION

Operating segment

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

6 LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Finance costs				
Lease interests	<u>1</u>	<u>3</u>	<u>3</u>	<u>5</u>
(b) Other items				
Depreciation of plant and equipment	383	556	769	1,119
Depreciation of right-of-use asset	34	34	67	68
Wage subsidies from employment support scheme included in direct costs	(3,352)	–	(3,352)	–
Lease expenses not included in the measurement of lease liabilities (<i>note</i>)	68	70	135	137
Operating lease rental in respect of machinery and equipment	<u>–</u>	<u>5</u>	<u>12</u>	<u>30</u>

Note: Included in the amount of lease expenses not included in the measurement of lease liabilities, HK\$57,000 (six months ended 30 September 2021: HK\$57,000) was the rental expense paid to Mr. Eric Tse, Mr. CK Tse and their spouses.

7 INCOME TAX CREDIT

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Deferred income tax	<u>51</u>	<u>75</u>	<u>103</u>	<u>151</u>

No provision for Hong Kong profits tax has been made as the Group did not have estimated assessable profits in Hong Kong for the six months ended 30 September 2022 and 2021.

8 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	(6,213)	(2,592)	(4,184)	(4,312)
Weighted average number of ordinary shares (<i>'000</i>)	<u>244,837</u>	<u>209,400</u>	<u>227,118</u>	<u>182,170</u>
Basic and diluted loss per share (<i>HK\$ per share</i>)	<u>(0.025)</u>	<u>(0.012)</u>	<u>(0.018)</u>	<u>(0.024)</u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the six months ended 30 September 2022 and 2021.

9 DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

10 MOVEMENTS IN PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group did not acquire items of plant and equipment (six months ended 30 September 2021: nil).

11 TRADE AND OTHER RECEIVABLES

The following is an analysis of trade receivables by age, presented based on the invoice date and net of provision for loss allowance:

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
0–30 days	2,694	11,802
31–60 days	5,860	759
Over 90 days	–	7
Trade receivables, net of provision for loss allowance	8,554	12,568
Other receivables, deposits and prepayments, net of provision for loss allowance	<u>6,438</u>	<u>7,401</u>
	<u>14,992</u>	<u>19,969</u>

Notes:

- (a) Whilst the credit period granted to customers are ranging from 17 to 33 days generally.
- (b) Movements in the Group's provision for loss allowance of trade receivables are as follows:

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
As at 1 April 2022/2021	227	143
Provision for the period/year	—	84
	<hr/>	<hr/>
As at 30 September 2022 and 31 March 2022	227	227
	<hr/> <hr/>	<hr/> <hr/>

12 TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date:

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
0–30 days	14,709	15,148
31–60 days	—	30
	<hr/>	<hr/>
Total trade payables	14,709	15,178
Accruals and other payables	155	2,748
	<hr/>	<hr/>
	14,864	17,926
	<hr/> <hr/>	<hr/> <hr/>

13 SHARE CAPITAL

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of Shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.05 (2021: HK\$0.01) each		
At 1 April 2021	1,500,000	15,000
Share consolidation (<i>Note (i)</i>)	(1,200,000)	–
	<u>300,000</u>	<u>15,000</u>
At 31 March 2022, 1 April 2022 and 30 September 2022	<u>300,000</u>	<u>15,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.05 (2021: HK\$0.01) each		
At 1 April 2021	698,000	6,980
Share consolidation (<i>Note (i)</i>)	(558,400)	–
Issuance of shares upon rights issue (<i>Note (ii)</i>)	69,800	3,490
	<u>209,400</u>	<u>10,470</u>
At 31 March 2022 and 1 April 2022	209,400	10,470
Issue of shares on placement (<i>Note (iii)</i>)	41,880	2,094
	<u>251,280</u>	<u>12,564</u>
At 30 September 2022	<u>251,280</u>	<u>12,564</u>

Notes:

- (i) Pursuant to an ordinary resolution passed on 30 April 2021, every 5 ordinary shares of HK\$0.01 each in the issued and unissued share capital of the Company were consolidated into one consolidated ordinary share of HK\$0.05 each in the issued and unissued share capital of the Company.
- (ii) On 11 June 2021, the Company completed the rights issue and allotted and issued 69,800,000 shares, on the basis of 1 rights share for every 2 shares at the subscription price of HK\$0.215 per rights share. Gross rights issue proceeds of approximately HK\$15,007,000 of which approximately HK\$3,490,000 was credited against share capital and the remaining proceeds of approximately HK\$10,291,000 was after offsetting the share issuance costs of approximately HK\$1,226,000 were credited against the share premium account.
- (iii) On 28 June 2022, the Company and Bloomyears Limited entered into a placing agreement in respect of the placement of 41,880,000 ordinary shares of HK\$0.05 each to independent investors at a price of HK\$0.25 per share. The placement was completed on 15 July 2022 and the premium on the issue of shares, amounting to approximately HK\$8,174,000, net of share issue expenses of approximately HK\$202,000, was credited to the Company's share premium account.

14 RESERVES

Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Other reserve

Other reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the corporate reorganisation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The shares of the Company (the “**Shares**”) were listed on GEM on 29 September 2017 by way of share offer.

For the six months ended 30 September 2022, the Group recorded a net loss of approximately HK\$4.2 million as compared to approximately HK\$4.3 million for the six months ended 30 September 2021.

OUTLOOK

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates remains difficult and challenging. The ongoing outbreak of COVID-19 has had drastic effect on the Hong Kong economy and construction industry in terms of cash flows, operational efficiencies and completion progress of certain projects, including supply chain disruptions, workforce shortages due to illness and preventative quarantines and work stoppages due to measures imposed by the customers. Construction market in Hong Kong has been experiencing adjustment under weakened market sentiment. The Group has incurred additional costs for additional management measures on site, such as social distancing measures and regular periodic COVID-19 swab tests, and to retain and recruit more workers in view of the shortage of manpower due to border closures. Despite of short-term challenges and uncertainties in the industry, we will remain focused on our long-term goals and sustainable developments. The Board will take appropriate measures to improve operating efficiency and a prudent approach in tendering profitable projects in order to reduce any adverse impacts on the Group.

The intensifying market competition may lead to fewer successful tenders and quotations and lower contracts value received by the Group. The Group’s gross profit margin is also under pressure from competitive project pricing on tenders and quotations, which in turn affects financial performance of the Group.

The Group continues to implement a more prudent approach in project selection in the upcoming year; that is the Group will selectively place tenders to well-established contractors and well-known business partners to ensure steady projects and sound receivables.

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

The Group continues to improve our operating efficiency and profitability of our business and expand our fleet of machinery and equipment, which will enhance our technical capability to bid for future projects. The Group will also proactively seek opportunities to expand our customer base and market share and to undertake more wet trades projects which will enhance value to the shareholders and stakeholders of the Company.

The Group may consider exploring other business opportunities and/or expanding the geographical coverage of the principal business of the Group beyond Hong Kong market in order to enhance our future development and to strengthen the revenue bases of the Group. We will be ready to dive into any opportunities as they arise or come to our attention. We expect that diversification of our business will provide a better return to the shareholders.

The Board believes the Group's business strategy and expertise could generate and contribute greater value to the shareholders and investors.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2022, the Group's revenue amounted to approximately HK\$107.7 million, which decreased by approximately 31.7% as compared to the six months ended 30 September 2021. The decrease in revenue was primarily attributable to (i) substantial completion of the projects on hand during the year ended 31 March 2022 and competitive construction project pricing arising from intense market competition; and (ii) delay of certification of certain projects by customers since additional time was required due to several variation orders involved in those projects.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 September 2022 amounted to approximately HK\$0.9 million, which increased by approximately 12.5% as compared to a gross profit of approximately HK\$0.8 million for the six months ended 30 September 2021. The gross profit margin for the six months ended 30 September 2022 was approximately 0.8%, compared to the gross profit margin for the six months ended 30 September 2021 of approximately 0.5%. The increase in gross profit and gross profit margin was mainly due to (i) improving costs control and efficiency; and (ii) expanding our customer base to obtain profit-generating projects.

Other income

Other income increased by approximately HK\$14,000 from approximately HK\$3,000 for the six months ended 30 September 2021 to approximately HK\$17,000 for the six months ended 30 September 2022. The increase was mainly due to the increase in bank interest income for the six months ended 30 September 2022.

Administrative and other operating expenses

Administrative and other operating expenses decreased by approximately HK\$0.9 million or 1.8% from approximately HK\$5.3 million for the six months ended 30 September 2021 to approximately HK\$5.2 million for the six months ended 30 September 2022. The decrease was mainly due to the decrease in safety consultant expenses.

Finance costs

Finance costs decreased by 40.03% to approximately HK\$3,000 for the six months ended 30 September 2022 from approximately HK\$5,000 for the six months ended 30 June 2021, which was mainly due to the decrease in lease interests for the six months ended 30 September 2022.

Loss for the period

For the six months ended 30 September 2022, the Group recorded loss attributed to owners of the Company of approximately HK\$4.2 million as compared to the six months ended 30 September 2021 of approximately HK\$4.3 million. The decrease was mainly attributable to: (i) the increase in gross profit; and (ii) the increase in other income for the six months ended 30 September 2022.

Interim dividend

The Directors do not recommend the payment of dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

Capital structure

As at 30 September 2022, the total issued share capital of the Company was HK\$12,564,000 (31 March 2022: HK\$10,470,000) divided into 251,280,000 (31 March 2022: 209,400,000) ordinary shares of HK\$0.05 (31 March 2022: HK\$0.05) each.

The share capital of the Company only comprises ordinary shares.

The placing of new shares under general mandate in 2021

In July 2022, the Company raised net proceeds of approximately HK\$10.3 million (the “**Placing Proceeds**”) from its placing of 41,880,000 Shares to two placees at the placing price of HK\$0.25 each per placing share under general mandate for the general working capital and working capital for four wet-trade works projects of the Group.

As at 30 September 2022, all of the Placing Proceeds had been used.

Issue of shares under Rights Issue

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

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

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

As at 30 September 2022, the actual use of the net proceeds of the Rights Issue are as follows:

	Planned use of net proceeds as stated in the prospectus dated 12 May 2021	Actual use of proceeds up to 30 September 2022	Unutilised net proceeds up to 30 September 2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Expansion and development of the existing businesses	7.2	7.2	–
Future investment opportunities	5.5	–	5.5
General working capital	1.1	1.1	–

As at 30 September 2022, approximately HK\$8.3 million out of the net proceeds from the Rights Issue had been used. The remaining unutilised net proceeds as at 30 September 2022 were placed as deposits with licensed banks in Hong Kong and are currently intended to be applied in the manner consistent with the proposed allocations as set out in the prospectus dated 12 May 2021. The remaining unutilised net proceeds are expected to be utilised by 30 September 2023.

Liquidity, financial resource and funding

We financed our operations primarily through cash generated from our operating and financing activities. During the six months ended 30 September 2022, we did not have any bank borrowings (2021: nil). As at 30 September 2022, we had cash and cash equivalents of approximately HK\$32.5 million (31 March 2022: HK\$39.3 million) and a pledged bank deposit of approximately HK\$5.2 million (31 March 2022: HK\$5.2 million).

Our primary uses of cash and cash equivalents have been and are expected to continue to be operating costs and capital expenditure.

Gearing ratio

The gearing ratio for the Group as at 30 September 2022 was nil (31 March 2022: nil). It was calculated by dividing total obligations under total bank borrowings by total equity as at the end of each reporting period multiplied by 100%.

Treasury policy

The Directors will continue to follow a prudent policy in managing the Group's bank balances and maintain strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

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

Save as disclosed in this announcement, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the six months ended 30 September 2022.

Future plans for material investments and capital assets

Save as disclosed in this announcement, the Group did not have other plans for material investments or capital assets as of 30 September 2022.

Foreign exchange exposure

Most of our Group's transactions are denominated in Hong Kong dollars which is the functional and presentation currency of the Group. As such, the Directors are of the view that the Group does not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

Charge of Group assets

As at 30 September 2022, aside from a pledged bank deposit of approximately HK\$5.2 million (31 March 2022: HK\$5.2 million), no asset of the Group was pledged as security for bank borrowing or any other financing facilities.

Capital expenditure

Total capital expenditure for the six months ended 30 September 2022 was nil (2021: nil).

Contingent liabilities

As at 30 September 2022, the Group had no material contingent liabilities.

Capital commitments

As at 30 September 2022, the Group had no material capital commitments.

Segment information

Management considers that the Group had only one operating segment which is provision of wet trade works services.

Information of employees

As at 30 September 2022, the Group had 55 full-time employees working in Hong Kong (30 September 2021: 54). The total staff costs, including Directors' emoluments incurred during the six months ended 30 September 2022 were approximately HK\$10.0 million (2021: HK\$10.2 million).

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

EVENTS AFTER THE REPORTING PERIOD

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

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in ordinary shares of the Company

Name	Capacity/Nature of interest	Total number of Shares	Percentage of shareholding
Mr. Tse Chun Yuen (Note)	Interest in a controlled corporation; interest held jointly with another person	105,000,000	41.79%
Mr. Tse Chun Kuen (Note)	Interest in a controlled corporation; interest held jointly with another person	105,000,000	41.79%
Mr. Tam Wing Yuen	Beneficial owner	6,000,000	2.39%

Note: Land Noble is beneficially owned as to 50% by Mr. Tse Chun Yuen and 50% by Mr. Tse Chun Kuen. On 9 May 2017, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen entered into an acting in concert confirmation to acknowledge and confirm, among other things, that they are parties acting in concert within the meaning of the Hong Kong Code on Takeovers and Mergers. By virtue of the SFO, Mr. Tse Chun Yuen and Mr. Tse Chun Kuen are deemed to be interested in the Shares held by Land Noble.

Long position in the ordinary shares of associated corporation – Land Noble

Name	Name of associated corporation	Capacity/ Nature of interest	Number of share(s) held	Percentage of interest
Mr. Tse Chun Yuen	Land Noble Holdings Limited	Beneficial owner	1	50%
Mr. Tse Chun Kuen	Land Noble Holdings Limited	Beneficial owner	1	50%

Save as disclosed above, as at 30 September 2022, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2022, the following person/entity (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long position in the ordinary shares of the Company

Name	Capacity/Nature of interest	Number of share(s) held	Percentage of interest in our Company
Land Noble	Beneficial owner	105,000,000	41.79%
Ms. Or So Lan (<i>Note 1</i>)	Interest of spouse	105,000,000	41.79%
Ms. Yapp Ngi Yang (<i>Note 2</i>)	Interest of spouse	105,000,000	41.79%
Mr. Tse Man Loong	Beneficial owner	14,200,000	5.65%

Notes:

1. Ms. Or So Lan is the spouse of Mr. Tse Chun Yuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Yuen is interested in for the purposes of the SFO.
2. Ms. Yapp Ngi Yang is the spouse of Mr. Tse Chun Kuen. She is deemed, or taken to be, interested in all Shares in which Mr. Tse Chun Kuen is interested in for the purposes of the SFO.

Save as disclosed above, as at 30 September 2022, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section “Directors’ and Chief Executive’s Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation” above, had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing, as set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “**Required Standard of Dealing**”). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealing and there was no event of non-compliance during the six months ended 30 September 2022.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or the controlling shareholders of the Company (the “**Controlling Shareholders**”) or their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has or may have any other conflict of interests with the Group during the six months ended 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 14 September 2017. No share option has been granted under the Share Option Scheme since its adoption.

CORPORATE GOVERNANCE PRACTICE

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholder value. The Company is also committed to achieving high standard of corporate governance that can protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix 15 of the GEM Listing Rules since the Listing Date up to the date of this announcement. During the six months ended 30 September 2022, to the best knowledge of the board of Directors of the Company (the “**Board**”), the Company has complied with the code provisions of the CG Code.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group’s financial reporting matters to the Board. As at the date of this announcement, the audit committee comprises of three independent non-executive Directors, namely Mr. Tang Chi Wai, Mr. Wong Yiu Kwong Kenji and Ms. Chung Lai Ling.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated results for the six months ended 30 September 2022, and is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and the interim report are published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.nobleengineering.com.hk. Should the shareholders of the Company have any difficulties in accessing the corporate communications electronically, please request the printed interim report, at any time by writing to the Company.

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

Hong Kong, 11 November 2022

As at the date of this announcement, the executive Directors are Mr. Tse Chun Yuen, Mr. Tse Chun Kuen, Mr. Tam Wing Yuen and Mr. Cao Yaqun; the non-executive Director is Ms. Dang Hongying; and the independent non-executive Directors are Mr. Wong Yiu Kwong Kenji, Ms. Chung Lai Ling and Mr. Tang Chi Wai.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.nobleengineering.com.hk.