

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



EXCEL DEVELOPMENT (HOLDINGS) LIMITED

怡益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1372)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The board of directors (the “Board”) of Excel Development (Holdings) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results and financial position of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2014 (“this period”) with comparative figures for the corresponding period in the previous year as follows and this condensed consolidated interim financial information has not been audited, but has been reviewed by the Company’s Audit Committee:

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

Six months ended 30 September 2014

		Unaudited	
		Six months ended	
		30 September	
		2014	2013
	Notes	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE	6	400,907	881,782
Contract costs		<u>(374,377)</u>	<u>(847,393)</u>
Gross profit		26,530	34,389
Other income and gains	6	743	4,812
Administrative expenses		(12,761)	(16,403)
Finance costs		<u>(2)</u>	<u>(196)</u>
Profit before tax	7	14,510	22,602
Income tax expense	8	<u>(2,416)</u>	<u>(4,588)</u>
Profit and total comprehensive income for the period		<u>12,094</u>	<u>18,014</u>
Profit and total comprehensive income attributable to owners of the parent		<u>12,094</u>	<u>18,014</u>
Earnings per share attributable to owners of the parent	10		
Basic and diluted (HK cents)		<u>6.05</u>	<u>12.01</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2014

		Unaudited	Audited
		30 September	31 March
		2014	2014
	Notes	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		61	104
Investment properties		600	600
Interest in a joint venture		-	-
		<hr/>	<hr/>
Total non-current assets		661	704
		<hr/>	<hr/>
CURRENT ASSETS			
Gross amount due from customers for contract works		49,492	79,978
Accounts receivable	11	202,506	181,747
Tax recoverable		-	310
Prepayments, deposits and other receivables		42,335	31,433
Cash and cash equivalents		148,134	166,554
		<hr/>	<hr/>
Total current assets		442,467	460,022
		<hr/>	<hr/>
CURRENT LIABILITIES			
Accounts payable	12	192,132	235,532
Accruals of costs for contract works		23,932	11,790
Tax payable		2,106	-
Other payables and accruals		2,606	3,146
		<hr/>	<hr/>
Total current liabilities		220,776	250,468
		<hr/>	<hr/>
Net current assets		221,691	209,554
		<hr/>	<hr/>
Total assets less current liabilities		222,352	210,258
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		5	5
		<hr/>	<hr/>
Net assets		222,347	210,253
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		2,000	2,000
Reserves		220,347	208,253
		<hr/>	<hr/>
Total equity		222,347	210,253
		<hr/>	<hr/>

NOTES

1. CORPORATE INFORMATION AND BASIS OF PRESENTATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at No. 155 Waterloo Road, Kowloon Tong, Kowloon, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 December 2013.

During the six months ended 30 September 2014, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in civil engineering works and building construction and maintenance.

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on the Stock Exchange (the “Reorganisation”), the Company became the holding company of the companies now comprising the Group on 21 November 2013. Accordingly, the condensed consolidated statement of profit or loss and other comprehensive income and cash flows for the six months ended 30 September 2013 have been prepared to present the results and cash flows, as if the group structure upon the completion of the group reorganisation had been in existence throughout the period, or since their respective dates of incorporation or establishment where this is a shorter period.

Profit Chain Investments Limited (“Profit Chain”), a company incorporated in the British Virgin Islands (“BVI”), is the immediate holding company of the Company; Vantage International (Holdings) Limited (“Vantage”), a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange, is the intermediate holding company of the Company; and the ultimate holding company of the Company is Winhale Ltd., a company incorporated in the BVI.

Vantage and its subsidiaries, but excluding the Group, are hereafter collectively referred to as the “Retained Vantage Group”.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2014 has been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

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 2014.

2. BASIS OF PREPARATION (continued)

This condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. This condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”) 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 this period, the Group has adopted, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments HKAS 32 Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i> Amendments to HKAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC) — Int 21	<i>Levies</i>

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. ESTIMATES

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

4. ESTIMATES (continued)

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group as at and for the year ended 31 March 2014.

5. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is civil engineering works and building construction and maintenance. 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 2014 and 2013, and the non-current assets of the Group were located in Hong Kong as at 30 September 2014 and 31 March 2014.

6. REVENUE, OTHER INCOME AND GAINS

	Unaudited	
	Six months ended	
	30 September	
	2014	2013
	HK\$'000	HK\$'000
Revenue		
Contract revenue	<u>400,907</u>	<u>881,782</u>
Other income and gains		
Interest income	37	248
Consultancy fee income	600	600
Management fee income	-	3,687
Government subsidies *	39	50
Gain on disposal of items of property, plant and equipment	-	161
Sundry income	<u>67</u>	<u>66</u>
	<u>743</u>	<u>4,812</u>

- * Subsidies have been received from the Hong Kong Vocational Training Council, institution established by the HKSAR Government ("Government"), for providing on-the-job training for graduate engineers. There are no unfulfilled conditions or contingencies relating to these subsidies.

7. PROFIT BEFORE TAX

	Unaudited Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
The Group's profit before tax is arrived at after charging:		
Depreciation	47	194
Employee benefits expenses (exclusive of directors' remuneration)	14,447	17,810
Directors' remuneration	5,788	6,227
	<u>14,494</u>	<u>18,231</u>

8. INCOME TAX

	Unaudited Six months ended 30 September	
	2014	2013
	HK\$'000	HK\$'000
Current - Hong Kong		
Charge for the period	2,416	4,583
Deferred	-	5
	<u>2,416</u>	<u>4,588</u>

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2013: 16.5%) on the estimated assessable profits arising in Hong Kong for this period.

9. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic earnings per share for the six months ended 30 September 2014 is based on the consolidated profit attributable to owners of the Company and the weighted average number of 200,000,000 ordinary shares in issue during this period.

The number of ordinary shares used to calculate the basic earnings per share amount for the six months ended 30 September 2013 was based on 150,000,000 ordinary shares, representing the number of ordinary shares of the Company immediately after the capitalisation issue, as if all these shares had been in issue throughout the six months ended 30 September 2013.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT (continued)

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2014 and 2013 as the Company had no potentially dilutive ordinary share in issue during those periods.

11. ACCOUNTS RECEIVABLE

Accounts receivable represented receivables for contract works. The payment terms of contract work receivables are stipulated in the relevant contracts. The credit period is generally one month. The carrying amounts of accounts receivable approximate to their fair values.

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

	Unaudited 30 September 2014 HK\$'000	Audited 31 March 2014 HK\$'000
Past due but not impaired:		
One to three months past due	4,600	2,696
Four to six months past due	63	2
Over six months past due	93	83
	4,756	2,781
Neither past due nor impaired	197,750	178,966
	202,506	181,747

As at 30 September 2014, retentions receivable included in accounts receivable amounted to HK\$119,055,000 (31 March 2014: HK\$118,505,000), which are repayable on terms ranging from two to three years.

Accounts receivable that were past due but not impaired relate to a number of independent customers 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 for whom there was no recent history of default.

As at 30 September 2014, the aggregate amounts of accounts receivable pledged to secure the Group's banking facilities amounted to HK\$123,097,000 (31 March 2014: HK\$92,558,000).

12. ACCOUNTS PAYABLE

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

	Unaudited 30 September 2014 <i>HK\$'000</i>	Audited 31 March 2014 <i>HK\$'000</i>
Current to three months	191,956	235,246
Four to six months	35	63
Over six months	141	223
	<hr/> 192,132 <hr/>	<hr/> 235,532 <hr/>

As at 30 September 2014, retentions payable included in accounts payable amounted to HK\$131,097,000 (31 March 2014: HK\$120,896,000), which are normally settled on terms ranging from two to three years. The carrying amounts of accounts payable approximate to their fair values.

Accounts payable are non-interest bearing and are normally settled on terms ranging from 7 to 30 days. The payment terms are stipulated in the relevant contracts.

13. CONTINGENT LIABILITIES

As of 30 September 2014, the Group had the following contingent liabilities:

- (a) The guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK\$26,324,000 (31 March 2014: HK\$29,911,000).

The Company has given guarantees in favour of certain banks to the extent of HK\$174,000,000 (31 March 2014: HK\$164,000,000) in respect of banking facilities granted by those banks to a subsidiary of the Company which was not utilised.

The Company had given unlimited performance guarantees in favour of a customer for contract work (the "Contract Customer") of the Group in respect of losses, claims, damages, costs and expenses caused by non-compliance with the terms and conditions of the construction contract entered into between the Group and the Contract Customer.

- (b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's sub-contractors 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.

14. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

All of the Group's contracts undertaken for both civil engineering construction business and building construction and maintenance business were for customers which are independent third parties including certain departments of the Government, public utilities companies and private organisations in Hong Kong.

For the six months period under review, the Group recorded a consolidated revenue of approximately HK\$400.9 million (six months ended 30 September 2013: HK\$881.8 million), representing a decrease of 54.5% when compared with that of last corresponding period. The decrease was mainly attributable to the decrease in revenue from a building construction project in Tsuen Wan during this period.

The Group's revenue generated from the building construction project in Tsuen Wan, which was approaching completion, decreased by 78.8% to approximately HK\$117.3 million (six months ended 30 September 2013: HK\$553.0 million) as compared with the corresponding period in the previous year. Such decrease is consistent with the Group's current strategy to focus on civil engineering construction works which have relatively higher gross profit margin when comparing with that of building construction and maintenance works.

Despite a drop in the revenue from civil engineering construction works by 12.0% to approximately HK\$283.5 million during this period, the Group has recorded a positive growth in its gross profit margin for the six months period under review. As compared with last corresponding period, gross profit margin improved significantly from approximately 3.9% to approximately 6.6% because of the revenue generated from civil engineering construction works represented over 70% of the Group's consolidated revenue for the six months ended 30 September 2014 (six months ended 30 September 2013: 37%).

For those substantial construction contracts awarded at last year end and during this period, they are still at early stage and thus no significant revenue generated from those contracts.

As of 30 September 2014, the Group had 18 significant projects in progress, including 6 projects in the public sector and 12 projects in the private sector. All such significant projects in progress, except the building construction project in Tsuen Wan, are civil engineering construction projects.

As of 30 September 2014, the total contract sum and the total outstanding values of the Group's substantial projects in progress were HK\$4,057 million and HK\$909 million respectively.

BUSINESS REVIEW (continued)

During the six months ended 30 September 2014, the Group was awarded with the following new substantial contracts regarding civil engineering construction works:

- Upgrading / Improvement Works to Lands Department Slopes in the Northern Regions
- Cable Trenching Works for North Point 132kv GIS Improvement (Phase 2 – Stage 2)
- Gas Pipelaying Work at King’s Road Between Shipyard Lane and Healthy Street East
- Civil Works for Rehabilitation of Water Reservoirs, Fire-proofing Improvement Work for Structures at MSB and Miscellaneous Improvement Works at LPS & LMX

PROSPECTS

The construction industry in Hong Kong continued to grow steadily during the six months ended 30 September 2014. It is estimated that capital expenditure for 2014/15 will be HK\$86.2 billion, including HK\$70.8 billion on capital works according to the Government’s Budget 2014/15.

Despite the economy of Hong Kong and intense competition in this industry combining with labour shortage, increase in labour wages and cost of construction materials, the outlook for the construction industry in Hong Kong looks promising.

Civil engineering construction sector plays an important role in the development of Hong Kong. In view of the increasing public expenditure on infrastructure by Government in the forthcoming years, we believe that the civil engineering construction industry has significant market potential and promising prospects. We intend to make use of our competitive strengths by continuing to improve our quality of services and competitiveness to capitalize on the trend of increasing civil engineering construction projects in Hong Kong in the coming years to further strengthen our Group’s business growth.

Looking forward, the Hong Kong market condition remains uncertain and challenge due to the recent “Occupy Central” movement which have impact on business operations of different sectors in Hong Kong. However, the Group remains positive about the construction industry in Hong Kong in the long run. The Group will continue to selectively undertake new rewarding contracts and continue to focus on providing quality construction works to our clients in a timely manner, which we believe will also help to strengthen our client’s confidence in us and the business relationships that we have built over the years.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$480.9 million, or 54.5%, from approximately HK\$881.8 million for the six months ended 30 September 2013 to approximately HK\$400.9 million for the six months ended 30 September 2014. The decrease was primarily due to the revenue from the building construction project in Tsuen Wan decreased by approximately HK\$435.7 million, or 78.8%, from approximately HK\$553.0 million for the six months ended 30 September 2013 to approximately HK\$117.3 million for the six months ended 30 September 2014.

Contract Costs

Our contract costs decreased by approximately HK\$473.0 million, or 55.8%, from approximately HK\$847.4 million for the six months ended 30 September 2013 to approximately HK\$374.4 million for the six months ended 30 September 2014. Such decrease was in line with our decrease in revenue during the same period.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately HK\$7.9 million or 23.0%, from approximately HK\$34.4 million for the six months ended 30 September 2013 to approximately HK\$26.5 million for the six months ended 30 September 2014. However, our gross profit margin improved significantly from approximately 3.9% to approximately 6.6% which was primarily due to the fact the revenue generated from civil engineering construction works represented over 70% of the Group's consolidated revenue for the six months ended 30 September 2014 (six months ended 30 September 2013: 37%).

Other Income and Gains

Other income and gains decreased by approximately HK\$4.1 million from approximately HK\$4.8 million for the six months ended 30 September 2013 to approximately HK\$0.7 million for the six months ended 30 September 2014. The decrease was mainly because no staff was provided to assist or supervise the Retained Vantage Group for the building construction project in Tsuen Wan. Accordingly, no reimbursement of staff cost from the Retained Vantage Group during this period (six months ended 30 September 2013: HK\$3.7 million).

Administrative Expenses

Administrative expenses decreased by approximately HK\$3.6 million or 22.0%, from approximately HK\$16.4 million for the six months ended 30 September 2013 to approximately HK\$12.8 million for the six months ended 30 September 2014. The decrease was attributable to the listing expense of approximately HK\$5.1 million which was recognised as expense in the period ended 30 September 2013 while no listing expense incurred for this period. The decrease was partially offset by the general increase in auditors' remuneration and administration staff cost during this period.

FINANCIAL REVIEW (continued)

Finance Costs

Finance costs decreased by approximately HK\$0.2 million for the six months ended 30 September 2014. The decrease was due to the cessation of financing the material purchases for the use of the Retained Vantage Group for the building construction project since June 2013.

Income Tax Expense

Income tax expense decreased by approximately HK\$2.2 million from approximately HK\$4.6 million for the six months ended 30 September 2013 to approximately HK\$2.4 million for the six months ended 30 September 2014. The decrease was mainly attributable to the decrease in profit before tax from approximately HK\$22.6 million for the six months ended 30 September 2013 to approximately HK\$14.5 million for the six months ended 30 September 2014.

The effective tax rate decreased from approximately 20.3% for the six months ended 30 September 2013 to approximately 16.7% for the six months ended 30 September 2014 due to the capital nature of the listing expenses of approximately HK\$5.1 million recognised in prior period, which made such expenses not tax deductible.

Profit Attributable to Owners of the Parent

As a result of the foregoing, profit for the year attributable to owners of the parent decreased by approximately HK\$5.9 million, or 32.8% from approximately HK\$18.0 million for the six months ended 30 September 2013 to approximately HK\$12.1 million for the six months ended 30 September 2014. Our net profit margin increased from approximately 2.0% for the six months ended 30 September 2013 to approximately 3.0% for the six months ended 30 September 2014 due to the increase in our gross profit margin during the period.

Liquidity and Financial Resources

As of 30 September 2014, the Group had cash and cash equivalents of approximately HK\$148.1 million representing a decrease of 11.1% from approximately HK\$166.6 million as of 31 March 2014. The Group did not have pledged deposits at 30 September 2014 and at 31 March 2014. The decrease in cash and cash equivalents during this period was mainly due to the combined effects of (i) net cash outflow from operating activities of approximately HK\$19.6 million; and (ii) decrease in an amount due from the Retained Vantage Group of approximately HK\$1.2 million.

The Group's cash and cash equivalents were denominated in Hong Kong dollars.

When compared with the Group's financial position as at 31 March 2014, net current assets increased by 5.8% to approximately HK\$221.7 million (31 March 2014: HK\$209.6 million) and net assets increased by 5.7% to approximately HK\$222.3 million (31 March 2014: HK\$210.3 million) as at 30 September 2014.

FINANCIAL REVIEW (continued)

Liquidity and Financial Resources (continued)

Current ratio is calculated by dividing current assets by current liabilities. Current ratio of the Group was maintained at a healthy level at 2.0 times as at 30 September 2014 (31 March 2014: 1.8 times).

Gearing ratio is calculated based on the amount of total interest-bearing bank loans divided by the total equity. As the Group had no bank loan as at 30 September 2014, the Group's gearing ratio was therefore 0% as at the period end date (31 March 2014: 0%).

As at 30 September 2014, the Group had aggregate banking facilities of HK\$174,000,000 which was not utilised. As at 30 September 2014, the banking facilities were secured by (i) unlimited corporate guarantees from the Company; (ii) corporate guarantee from the Company amounted to HK\$90,000,000 (31 March 2014: HK\$90,000,000); and (iii) the assignment of the Group's accounts receivable under certain contract works with an aggregate amount of approximately HK\$123,097,000 (31 March 2014: HK\$92,558,000).

Contingent Liabilities

Details of the Group's and the Company's contingent liabilities are set out in note 13 to this announcement.

STAFF AND REMUNERATION POLICY

As of 30 September 2014, the Group employed approximately 372 employees in Hong Kong (31 March 2014: 315). The Group remunerates its employees based on their performance and work experience and with reference to the prevailing market conditions. Staff benefits include mandatory provident fund and training programmes.

INTERIM DIVIDEND

The directors of the Company ("Directors") do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: Nil).

REVIEWED BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three Independent Non-executive Directors of the Company, Professor Patrick Wong Lung Tak, B.B.S., J.P. (*Chairman*), Dr. Law Kwok Sang and Ms. Mak Suk Hing, with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed with management the principal accounting policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the Group's unaudited condensed consolidated financial information for the six months ended 30 September 2014.

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 2014, 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 annual general meeting of the Company held on 15 August 2014, the whole Board of Directors and auditors of the Company have attended the meeting to ensure an effective communication with the shareholders at that meeting except that Professor Patrick Wong Lung Tak, B.B.S., J.P. (Independent Non-executive Director and Chairman of Audit Committee) was unable to attend the annual general meeting due to unavoidable business commitment.

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 the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the Company's securities. Following specific enquiry made to the Directors, each of them has confirmed their compliance with the required standard set out in the Model Code throughout the period from 1 April 2014 to 30 September 2014.

SUFFICIENCY OF PUBLIC FLOAT

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

**PUBLICATION OF THE INTERIM RESULTS AND 2014/15 INTERIM REPORT
ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.excelengco.com). The 2014/15 interim report of the Company, containing all the information required by the Listing Rules, will be despatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to all of our staff for their hard work and dedication. I would also like to thank our business partners and associates, bankers and auditors for their continued trust, as well as you, our shareholders, for your constant support.

By Order of the Board
Excel Development (Holdings) Limited
LI Chi Pong
Executive Director and Chief Executive Officer

Hong Kong, 27 November 2014

As at the date of this announcement, the executive Directors are Mr. Li Chi Pong and Mr. Poon Yan Min; the non-executive Director is Mr. Yau Kwok Fai (Chairman) and the independent non-executive Directors are Dr. Law Kwok Sang, Professor Patrick Wong Lung Tak, B.B.S., J.P. and Ms. Mak Suk Hing.