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## 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 2015

The board (the “Board”) of directors (the “Directors”) 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 2015 (“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 audit committee of the Company (the “Audit Committee”):

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

Six months ended 30 September 2015

		Unaudited Six months ended 30 September	
	Notes	2015 HK\$'000	2014 HK\$'000
<b>REVENUE</b>	6	<b>221,022</b>	400,907
Contract costs		<u>(210,549)</u>	<u>(374,377)</u>
Gross profit		<b>10,473</b>	26,530
Other income and gains	6	<b>5,275</b>	743
Administrative expenses		<b>(17,501)</b>	(12,761)
Finance costs		<b>(12)</b>	(2)
(Loss)/profit before tax	7	<b>(1,765)</b>	14,510
Income tax expense	8	<b>(420)</b>	(2,416)
<b>(Loss)/profit and total comprehensive (expenses)/income for the period</b>		<b><u>(2,185)</u></b>	<b><u>12,094</u></b>
(Loss)/profit and total comprehensive (expenses)/income attributable to owners of the parent		<b><u>(2,185)</u></b>	<b><u>12,094</u></b>
<b>(Loss)/earnings per share attributable to owners of the parent</b>	10		
Basic and diluted (HK cents)		<b><u>(1.09)</u></b>	<b><u>6.05</u></b>

Details of dividend for this period are disclosed in note 9 to this announcement.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2015

	<i>Notes</i>	<b>Unaudited 30 September 2015 HK\$'000</b>	<b>Audited 31 March 2015 HK\$'000</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		6,142	2,194
Investment properties	11	–	800
Deposit paid for plant and equipment		705	–
Interest in a joint venture		–	–
		<hr/>	<hr/>
Total non-current assets		<b>6,847</b>	2,994
<b>CURRENT ASSETS</b>			
Gross amount due from customers for contract works		33,800	31,028
Accounts receivable	12	167,261	177,789
Tax recoverable		4,085	4,494
Prepayments, deposits and other receivables		15,559	16,042
Cash and cash equivalents		23,399	143,693
		<hr/>	<hr/>
Total current assets		<b>244,104</b>	373,046
<b>CURRENT LIABILITIES</b>			
Accounts payable	13	47,016	101,464
Accruals of costs for contract works		21,184	45,237
Amount due to a shareholder		6,549	–
Other payables and accruals		2,250	3,204
		<hr/>	<hr/>
Total current liabilities		<b>76,999</b>	149,905
<b>Net current assets</b>		<b>167,105</b>	223,141
<b>Total assets less current liabilities</b>		<b>173,952</b>	226,135
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		10	8
		<hr/>	<hr/>
<b>Net assets</b>		<b>173,942</b>	226,127
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		2,000	2,000
Reserves		171,942	224,127
		<hr/>	<hr/>
<b>Total equity</b>		<b>173,942</b>	226,127

## NOTES

### 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Company is located at 21st Floor, 1 Duddell Street, Central, 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 2015, the Group was principally engaged in civil engineering works and building construction and maintenance.

### 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 September 2015 has been prepared in accordance with Hong Kong Accounting Standard 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 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

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 unless 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 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:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 -2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 -2013 Cycle

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.

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 2015.

#### 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 2015 and 2014, and the non-current assets of the Group were located in Hong Kong as at 30 September 2015 and 31 March 2015.

#### 6. REVENUE, OTHER INCOME AND GAINS

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Contract revenue	<b>221,022</b>	400,907
	<b>221,022</b>	400,907
<b>Other income and gains</b>		
Rental income	<b>4,200</b>	–
Interest income	<b>22</b>	37
Consultancy fee income	<b>600</b>	600
Government subsidies *	<b>27</b>	39
Gain on disposal of subsidiaries	<b>104</b>	–
Gain on disposal of investment properties	<b>300</b>	–
Sundry income	<b>22</b>	67
	<b>5,275</b>	743
	<b>5,275</b>	743

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

## 7. (LOSS)/PROFIT BEFORE TAX

	Unaudited Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
The Group's (loss)/profit before tax is arrived at after charging:		
Depreciation	390	47
Employee benefits expenses (exclusive of directors' remuneration)	12,613	14,447
Directors' remuneration	4,956	5,788
	<u>4,956</u>	<u>5,788</u>

## 8. INCOME TAX EXPENSES

	Unaudited Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
Current – Hong Kong		
Charge for the period	420	2,416
Deferred	–	–
	<u>420</u>	<u>2,416</u>
Total tax charge for the period	<u>420</u>	<u>2,416</u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands. Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits arising in Hong Kong for this period.

## 9. DIVIDEND

On 5 June 2015, the Board recommended the declaration and payment of a special cash dividend of HK\$50,000,000, representing HK\$0.25 per ordinary share in the issued share capital of the Company and was approved by the Company's shareholders at the extraordinary general meeting on 4 August 2015. Such special cash dividend was paid on 2 September 2015 (six months ended 30 September 2014: Nil).

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic (loss)/earnings per share for the six months ended 30 September 2015 and 2014 are based on the consolidated (loss)/profit attributable to owners of the Company and the weighted average number of 200,000,000 ordinary shares in issue during this period.

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

## 11. INVESTMENT PROPERTIES

During the six months ended 30 September 2015, the Group disposed of investment properties with the carrying amounts of HK\$800,000 to an independent third party with the consideration of HK\$1,100,000. Therefore, a gain from disposal of investment properties of HK\$300,000 was recognised in the profit or loss.

## 12. 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:

	<b>Unaudited 30 September 2015 HK\$'000</b>	Audited 31 March 2015 HK\$'000
Past due but not impaired:		
One to three months past due	<b>6,695</b>	8,330
Four to six months past due	<b>225</b>	209
Over six months past due	<b>284</b>	2
	<b>7,204</b>	8,541
Neither past due nor impaired	<b>160,057</b>	169,248
	<b>167,261</b>	177,789

As at 30 September 2015, retentions receivable included in accounts receivable amounted to HK\$109,322,000 (31 March 2015: HK\$120,041,000), 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 2015, the aggregate amounts of accounts receivable pledged to secure the Group's banking facilities amounted to HK\$14,646,000 (31 March 2015: HK\$86,161,000).

### 13. ACCOUNTS PAYABLE

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

	<b>Unaudited 30 September 2015 HK\$'000</b>	Audited 31 March 2015 HK\$'000
Current to three months	42,048	97,908
Four to six months	3,939	3,383
Over six months	1,029	173
	<u>47,016</u>	<u>101,464</u>

As at 30 September 2015, retentions payable included in accounts payable amounted to HK\$4,477,000 (31 March 2015: HK\$63,608,000), 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.

### 14. CONTINGENT LIABILITIES

As of 30 September 2015, 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\$15,636,000 (31 March 2015: HK\$23,055,000).

The Company has given guarantees in favour of certain banks to the extent of HK\$100,000,000 (31 March 2015: HK\$189,000,000) in respect of banking facilities granted by those banks to a subsidiary of the Company which was not utilised.

- (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.

### 15. EVENT AFTER THE REPORTING PERIOD

On 12 October 2015, the Company, through its wholly-owned subsidiary, Future Marvel Limited (the "Purchaser"), entered into an agreement (the "Agreement") with a limited liability company incorporated in British Virgin Islands (the "Vendor") for the acquisition of entire interest in Well Surplus Enterprises Limited and its subsidiaries (the "Target Group") and the loan from the Vendor of HK\$49,696,000 at a total consideration of HK\$800,000,000.

Pursuant to the Agreement, the Target Group shall establish a company in Chongqing City, the People's Republic of China with its principal business activities being the development, production and sales of automotive engines. In addition, prior to the completion, such company shall enter into the sales framework agreements (the "Sales Framework Agreements") with three customers, the principal activities of which are sales of automotive and manufacture and sales of automotive parts. The terms of the Sales Framework Agreements shall be satisfied by the Purchaser.

Up to the date of this announcement, as the conditions for completion have not been fulfilled by the Vendor, the acquisition is not completed. Further details of which are set out in the Company's announcement dated 12 October 2015.

## **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.

The Group recorded turnover of approximately HK\$221.0 million for the six months ended 30 September 2015, representing a decrease of approximately 44.9% when compared with that of last corresponding period. For the six-month period under review, the turnover included: (i) revenue from civil engineering works of approximately HK\$199.2 million (six months ended 30 September 2014: HK\$283.5 million); and (ii) revenue from building construction and maintenance works of approximately HK\$21.8 million (six months ended 30 September 2014: HK\$117.4 million).

The overall gross profit margin of the Group decreased from approximately 6.6% for the six months ended 30 September 2014 to approximately 4.7% for the six months ended 30 September 2015. The decrease in gross profit margin was mainly due to the increase in construction costs during the six months ended 30 September 2015 as compared to the corresponding period in 2014.

As of 30 September 2015, the Group had 21 significant projects in progress, including 6 projects in the public sector and 15 projects in the private sector. All such significant projects in progress are civil engineering construction projects.

As of 30 September 2015, the total contract sum and the total outstanding values of the Group's substantial projects in progress were approximately HK\$2,521.0 million and HK\$666.0 million respectively.

During the six months ended 30 September 2015, the Group was awarded with the following new substantial contracts regarding civil engineering construction works:

- Construction and Maintenance of Trenching/Cable Laying and Contractual Works in the Areas of Hong Kong, Ap Lei Chau, Lamma Island and any Outlying Island
- Proposed Development at Hai Tan Street/Kweilin Street/Pei Ho Street, Sham Shui Po
- Rehabilitation of Underground Fire Hydrant Pipes at Gas Turbine and Stage 3 Areas
- Advance Civil Engineering Works for Public Housing Development Projects Batch 5 (2015 – 2017)

### **PROSPECTS**

Although the operating environment of the construction business is expected to remain tough in the coming years such as continuously rising wages and cost of construction materials and shortage of skilled labour, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works. The Group will continue to adopt a prudent approach when submitting new tenders.

## **PROSPECTS (Continued)**

In addition, the Group will make use of its competitive strengths by continuing to improve its quality of service and competitiveness to capitalise on the trend of increasing civil engineering construction works projects in Hong Kong in the coming years to further strengthen the Group's business growth.

Whilst the Group maintains its core business in these areas, the Board continuously explores different investment opportunities and is of the view that the production and sales of automotive engines business as set out in note 15 to this announcement presents an excellent opportunity for the Group to expand its business portfolio into the automobile sector. The Board believes that the acquisition is on the right track to diversify its business, which would mitigate operating risks and maximise returns to the shareholders of the Company.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue decreased by approximately HK\$179.9 million, or 44.9%, from approximately HK\$400.9 million for the six months ended 30 September 2014 to approximately HK\$221.0 million for the six months ended 30 September 2015. The decrease was primarily due to the fact that the revenue from the building construction project in Tsuen Wan decreased by approximately HK\$95.6 million, or 81.5%, from approximately HK\$117.4 million for the six months ended 30 September 2014 to approximately HK\$21.8 million for the six months ended 30 September 2015. In addition, the Group was not awarded with new significant contracts from the public sector since August 2014, the revenue from the civil engineering work decreased by approximately HK\$84.3 million, or 29.7%, from approximately HK\$283.5 million for the six months ended 30 September 2014 to approximately HK\$199.2 million for the six months ended 30 September 2015.

### **Contract Costs**

Our contract costs decreased by approximately HK\$163.9 million, or 43.8%, from approximately HK\$374.4 million for the six months ended 30 September 2014 to approximately HK\$210.5 million for the six months ended 30 September 2015. 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\$16.0 million or 60.4%, from approximately HK\$26.5 million for the six months ended 30 September 2014 to approximately HK\$10.5 million for the six months ended 30 September 2015 whereas the gross profit margin decreased from approximately 6.6% for the six months ended 30 September 2014 to approximately 4.7% for the six months ended 30 September 2015.

The decrease was primarily due to (i) significant increase in construction costs including materials, staff and labour cost in civil engineering projects; and (ii) the fact that the Group was not awarded with new significant contracts from the public sector during the six months ended 30 September 2015, which generally give a higher profit margin.

## **Other Income and Gains**

Other income and gains increased by approximately HK\$4.6 million from approximately HK\$0.7 million for the six months ended 30 September 2014 to approximately HK\$5.3 million for the six months ended 30 September 2015. The increase was mainly because the Group had been leasing certain of its equipment for construction works since February 2015 and recognised a rental income of HK\$4.2 million for the six months ended 30 September 2015.

## **Administrative Expenses**

Administrative expenses increased by approximately HK\$4.7 million or 36.7%, from approximately HK\$12.8 million for the six months ended 30 September 2014 to approximately HK\$17.5 million for the six months ended 30 September 2015. The increase was mainly attributable to increase in administration staff cost.

## **Income Tax Expense**

Income tax expense decreased by approximately HK\$2.0 million from approximately HK\$2.4 million for the six months ended 30 September 2014 to approximately HK\$0.4 million for the six months ended 30 September 2015. The effective tax rate of the main operating subsidiaries were 16.5% and 16.7% for the six months ended 30 September 2015 and 2014 respectively, which had no significant change.

## **(Loss)/Profit Attributable to Owners of the Parent**

As a result of the foregoing, the Group recorded a loss attributable to owners of the parent of approximately 2.2 million as compared with the profit attributable to owners of the parent of HK\$12.1 million.

## **Liquidity and Financial Resources**

As of 30 September 2015, the Group had cash and cash equivalents of approximately HK\$23.4 million, representing a decrease of 83.7% from approximately HK\$143.7 million as of 31 March 2015. The Group did not have pledged deposits as at 30 September 2015. The decrease in cash and cash equivalents during this period was mainly due to the payment of special cash dividend of HK\$50.0 million and the retention payable to the former fellow subsidiary of approximately HK\$60.0 million that had been settled. 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 2015, net current assets decreased by 25.1% to approximately HK\$167.1 million (31 March 2015: HK\$223.1 million) and net assets decreased by 23.1% to approximately HK\$173.9 million (31 March 2015: HK\$226.1 million) as at 30 September 2015.

Current ratio is calculated by dividing current assets by current liabilities. Current ratio of the Group was maintained at a healthy level at 3.2 times as at 30 September 2015 (31 March 2015: 2.5 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 2015, the Group's gearing ratio was therefore 0% as at the period end date (31 March 2015: 0%).

## **Liquidity and Financial Resources (Continued)**

As at 30 September 2015, the Group had aggregate banking facilities of HK\$100.0 million which was not utilised. As at 30 September 2015, the banking facilities were secured by (i) corporate guarantees from the Company amounted to HK\$100.0 million (31 March 2015: HK\$130.0 million); and (ii) the assignment of the Group's accounts receivable under certain contract works with an aggregate amount of approximately HK\$14.6 million (31 March 2015: HK\$86.2 million).

### **Accounts Receivable**

As at 30 September 2015, the Group's accounts receivable were approximately HK\$167.2 million, representing a decrease of 6.0% from approximately HK\$177.8 million as of 31 March 2015. Such decrease was in line with our decrease in revenue during the same period. As at 30 September 2015, retentions receivable included in accounts receivable amounted to HK\$109.3 million (31 March 2015: HK\$120.0 million). The payment terms of contract work receivables are stipulated in the relevant contracts.

### **Contingent Liabilities**

Details of the Group's and the Company's contingent liabilities are set out in note 14 to this announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in note 15 to this announcement and mentioned elsewhere in this announcement, there was no other significant event after the reporting period up to the date of this announcement.

## **STAFF AND REMUNERATION POLICY**

As of 30 September 2015, the Group employed approximately 395 employees in Hong Kong (31 March 2015: 424). 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.

## **NO MATERIAL CHANGE**

Save as disclosed above, during the six months ended 30 September 2015, there has been no material change in the Group's financial position or business since the publication of the latest annual report of the Company for the year ended 31 March 2015.

## **INTERIM DIVIDEND**

On 5 June 2015, the Board recommended the declaration and payment of special cash dividend of HK\$50,000,000, representing HK\$0.25 per ordinary share in the issued share capital of the Company and was approved by the Company's shareholders at the extraordinary general meeting on 4 August 2015 (six months ended 30 September 2014: Nil). The Board does not recommend payment of any interim dividend for the six months ended 30 September 2015.

## **REVIEWED BY AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors, Mr. Chan Kai Wing (Chairman), Ms. Chu Yin Yin Georgiana and Mr. Yip Tai Him, 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 2015.

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

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

## **CORPORATE GOVERNANCE**

None of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the six months ended 30 September 2015, fully complied with the code provisions 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 as disclosed below:

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since 10 August 2015, the Company did not have any officer with the title of Chief Executive Officer. The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operations and execution is vested in the Board itself.

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 2015 to 30 September 2015.

## **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 2015/16 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](http://www.hkexnews.hk)) and the Company ([www.excelengco.com](http://www.excelengco.com)). The 2015/16 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**  
**Wong Hin Shek**  
*Chairman*

Hong Kong, 27 November 2015

*As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Xing Bin; and the independent non-executive Directors are Ms. Chu Yin Yin Georgiana, Mr. Yip Tai Him and Mr. Chan Kai Wing.*