

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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.

HING MING HOLDINGS LIMITED

興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8425)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Hing Ming Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 31 December 2022. This announcement, containing the full text of the 2022 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of quarterly results.

By Order of the Board
Hing Ming Holdings Limited
Tang Hing Keung

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 6 February 2023

As at the date of this announcement, the executive Directors are Mr. Tang Hing Keung (Chairman and Chief Executive Officer) and Mr. Tang Ming Hei; the non-executive Directors are Ms. Au Fung Yee and Mr. Au Lop Wah Edmond; and the independent non-executive Directors are Mr. Kwan Woon Man Boris, Mr. Chiu Chi Wing and Mr. Yeung Chi Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.hing-ming.com.

HING MING HOLDINGS LIMITED

興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8425

2022

**THIRD QUARTERLY
REPORT**

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 Main Board of 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, 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 report.

This report, for which the directors of Hing Ming Holdings Limited (the "Company" and the "Directors", respectively) 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 report 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 report misleading.

THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and nine months ended 31 December 2022 together with the relevant unaudited comparative figures for the corresponding period in 2021 as follows.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2022

| | Notes | Three months ended 31 December | | Nine months ended 31 December | |
|---|-------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 |
| Revenue | 3 | 22,007 | 28,193 | 70,879 | 50,919 |
| Cost of sales and services rendered | | (10,761) | (18,663) | (47,540) | (33,612) |
| Gross profit | | 11,246 | 9,530 | 23,339 | 17,307 |
| Other income | | 229 | 4 | 2,880 | 16 |
| Administrative expenses | | (9,629) | (5,187) | (17,030) | (10,284) |
| Finance costs | | (413) | (578) | (1,202) | (776) |
| Profit before income tax expense | 4 | 1,433 | 3,769 | 7,987 | 6,263 |
| Income tax expense | 5 | (1,165) | (206) | (1,854) | (550) |
| Profit and total comprehensive income for the period attributable to owners of the Company | | 268 | 3,563 | 6,133 | 5,713 |
| Earnings per share — Basic and diluted | 7 | HK0.07 cents | HK0.89 cents | HK1.56 cents | HK1.43 cents |

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2022

| | Share capital <i>HK\$'000</i> | Share premium <i>HK\$'000</i> | Other reserve <i>HK\$'000</i> | Retained earnings <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|---|--------------------------|
| At 1 April 2022 (audited) | 4,000 | 63,824 | 6,000 | 47,530 | 121,354 |
| Repurchases of shares | (240) | (5,969) | — | — | (6,209) |
| Profit and total comprehensive income for the period | — | — | — | 6,133 | 6,133 |
| At 31 December 2022 (unaudited) | <u>3,760</u> | <u>57,855</u> | <u>6,000</u> | <u>53,663</u> | <u>121,278</u> |
| At 1 April 2021 (audited) | 4,000 | 63,824 | 6,000 | 50,565 | 124,389 |
| Profit and total comprehensive income for the period | — | — | — | 5,713 | 5,713 |
| At 31 December 2021 (unaudited) | <u>4,000</u> | <u>63,824</u> | <u>6,000</u> | <u>56,278</u> | <u>130,102</u> |

NOTES

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 April 2016. The issued shares of the Company (the “Shares”) were initially listed on GEM of the Stock Exchange (the “Listing”) on 15 March 2017 (the “Listing Date”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Room A4, 2/F., Tsim Sha Tsui Mansion, 83–87 Nathan Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in trading, installation and renting of suspended working platforms and other construction equipment.

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Hing Gut Limited (“Hing Gut”), a company incorporated in the British Virgin Islands.

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited consolidated financial statements of the Group for the nine months ended 31 December 2022 (the “Unaudited Consolidated Financial Statements”) have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Unaudited Consolidated Financial Statements are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2022.

The HKICPA has issued a number of new and revised HKFRSs. For those which are relevant to the Group’s operations and effective for its accounting period beginning 1 April 2022, the adoption has no significant changes on the Group’s accounting policies as well as the presentation, the reported results and the financial position of the Group for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs which have been issued but are not yet effective. The Group is currently in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether they would have a material impact on the Group’s results and financial position.

The Unaudited Consolidated Financial Statements have been prepared under the historical cost basis.

2. BASIS OF PRESENTATION AND PREPARATION (CONTINUED)

The preparation of the Unaudited Consolidated Financial Statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The Unaudited Consolidated Financial Statements should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 March 2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The consolidated financial statements for the nine months ended 31 December 2022 have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Board (the "**Audit Committee**").

The Unaudited Consolidated Financial Statements are presented in Hong Kong dollars ("HK\$") which is also the functional currency of the Group, and all values are rounded to the nearest thousands, except when otherwise indicated.

3. REVENUE

Revenue, which is also the Group's turnover, represents income received and receivable from rental and related services and trading of equipment and spare parts during the nine months ended 31 December 2022 and is summarised as follows:

| | Three months ended 31 December | | Nine months ended 31 December | |
|--------------------------------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 |
| | Rental and related services | 20,768 | 26,717 | 68,242 |
| Trading of equipment and spare parts | 1,239 | 1,476 | 2,637 | 2,845 |
| Total | 22,007 | 28,193 | 70,879 | 50,919 |

4. PROFIT BEFORE INCOME TAX EXPENSE

| | Three months ended 31 December | | Nine months ended 31 December | |
|---|---|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 |
| | Profit before income tax expense is arrived at after charging/ (crediting): | | | |
| Auditor's remuneration | 129 | 137 | 387 | 360 |
| Cost of inventories sold and materials consumed | 935 | 6,636 | 3,841 | 7,227 |
| Exchange gain, net | (5) | (1) | (170) | (6) |
| Depreciation of property, plant and equipment | 4,270 | 3,380 | 11,898 | 9,604 |
| Loss on disposal of property, plant and equipment | 796 | 167 | 796 | 167 |
| Staff costs (including Directors' remuneration) | | | | |
| — Salaries, wages and other benefits | 10,604 | 7,109 | 19,376 | 12,224 |
| — Retirement costs | 134 | 197 | 393 | 414 |
| | | | | |

5. INCOME TAX EXPENSE

The income tax expense in the unaudited consolidated statement of profit or loss and other comprehensive income represents:

| | Three months ended 31 December | | Nine months ended 31 December | |
|------------------------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 |
| Hong Kong profits tax | | | | |
| Current tax | — | (204) | — | — |
| Deferred tax | 1,165 | 410 | 1,854 | 550 |
| Income tax expense | <u>1,165</u> | <u>206</u> | <u>1,854</u> | <u>550</u> |

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime, one of the subsidiaries of the Company is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. Other subsidiaries of the Company are subjected to Hong Kong Profits Tax at the rate of 16.5% for the nine months ended 31 December 2022 and 31 December 2021, respectively.

Income tax from other tax jurisdictions

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 respective tax jurisdictions.

6. DIVIDEND

The Board does not declare the payment of any dividend for the nine months ended 31 December 2022 (2021: Nil).

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

| | Three months ended 31 December | | Nine months ended 31 December | |
|---|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 | 2022 (unaudited) HK\$'000 | 2021 (unaudited) HK\$'000 |
| Earnings: | | | | |
| Profit attributable to owners of the Company for the purpose of calculating basic earnings per share | 268 | 3,563 | 6,133 | 5,713 |
| | '000 | '000 | '000 | '000 |
| Number of shares: | | | | |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Note) | 379,391 | 400,000 | 393,105 | 400,000 |
| Basic earnings per share | <u>HK0.07 cents</u> | <u>HK0.89 cents</u> | <u>HK1.56 cents</u> | <u>HK1.43 cents</u> |

Note:

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the nine months ended 31 December 2022 of approximately HK\$6,133,000 (2021: approximately HK\$5,713,000) and the weighted average number of ordinary shares of approximately 393,105,000 (2021: 400,000,000) in issue during the period.

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive ordinary shares in existence during the nine months ended 31 December 2022 and 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Our Group is principally engaged in (i) providing rental services of temporary suspended working platforms and other construction equipment, mainly including tower cranes and generators; and (ii) trading of equipment and spare parts, mainly including permanent suspended working platforms, motors and wire rope.

Rental and Related Services

Our Group has been providing temporary suspended working platforms to our customers for housing construction or repair and refurbishment purposes. We source motors and other temporary suspended working platform components separately from our suppliers, and we assemble the platforms in our storage and repairing workshop located in Pat Heung, Hong Kong. Apart from temporary suspended working platforms, our Group also offers tower crane and generator rental services to our customers for housing construction purpose.

Trading of Equipment and Spare Parts

With our established customer and supplier base, we also engage in the trading of equipment and spare parts, mainly including permanent suspended working platforms, motors and wire rope, predominantly in Hong Kong which further enhances our capability to satisfy customers' demands. We source our equipment and spare parts from suppliers mainly located in Germany, Belgium, Spain, Singapore and China, and sell them mainly to construction contractors and trading companies in Hong Kong.

Our Group recorded an increase in revenue for the nine months ended 31 December 2022, which increased by approximately 39.2% to approximately HK\$70.9 million as compared with revenue of approximately HK\$50.9 million for the nine months ended 31 December 2021. Our Group will endeavor to further improve its revenue performance on its core business by executing flexible strategies to face the market challenges and will continue to intensify the rental service of tower crane to capture the market demands.

On 25 August 2022 (after trading hours), Hing Ming Equipment Company Limited, a wholly-owned subsidiary of our Company, entered into a non-legally binding strategic cooperation framework agreement with Xuzhou Construction Machinery Group Imp. & Exp. Co., Ltd. (徐州工程機械集團進出口有限公司) in respect of potential cooperation in the tower cranes business in Hong Kong, as an initiative of our Group to expand in the field of the tower crane business and enhance the market competitiveness of our Group. For further details, please refer to the announcement of our Company dated 25 August 2022.

Looking forward, our Group will continue to monitor the development of the COVID-19 pandemic and will continue to adopt a positive yet prudent approach in its business strategies aiming to enhance the Group's profitability and shareholders' value in the long run.

FINANCIAL REVIEW

Revenue

Our Group recorded an increase in revenue for the nine months ended 31 December 2022, which increased by approximately 39.2% to approximately HK\$70.9 million as compared with revenue of approximately HK\$50.9 million for the nine months ended 31 December 2021. The increase was mainly due to increase in income generated from tower crane rental services.

Cost of sales and services rendered

Our Group's cost of sales and services rendered amounted to approximately HK\$47.5 million for the nine months ended 31 December 2022, representing an increase of approximately 41.4% (2021: approximately HK\$33.6 million). Cost of sales and services rendered mainly represents the cost of inventories sold and materials consumed, subcontracting fee, staff costs, rental of equipment and depreciation. The increase was in line with increase in revenue for the nine months ended 31 December 2022.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately HK\$6.0 million to approximately HK\$23.3 million for the nine months ended 31 December 2022 (2021: approximately HK\$17.3 million), with gross profit margin at approximately 32.9% (2021: approximately 34.0%). Slight decrease in gross profit margin was mainly due to the increase in subcontracting fee and materials consumed from rental service of tower cranes as compared to the corresponding period last year.

Other income

Our Group recognised other income of approximately HK\$2.9 million and approximately HK\$16,000 for the nine months ended 31 December 2022 and 2021, respectively. The increase was mainly due to the income received from anti-epidemic fund subsidy scheme of approximately HK\$0.7 million and recovery of impairment of account receivable of approximately HK\$1.9 million for the nine months ended 31 December 2022.

Administrative expenses

Our administrative expenses increased by approximately HK\$6.7 million or approximately 65.6% from approximately HK\$10.3 million for the nine months ended 31 December 2021 to approximately HK\$17.0 million for the nine months ended 31 December 2022. The increase mainly represented staff bonus and director's bonus.

Finance costs

Our finance costs increased by approximately HK\$426,000 or 54.9% from approximately HK\$776,000 for the nine months ended 31 December 2021 to approximately HK\$1.2 million for the nine months ended 31 December 2022. The increase was mainly due to the increase in finance liabilities under finance lease of tower cranes and bank borrowing.

Profit and total comprehensive income for the period

Our Group's profit and total comprehensive income increased by approximately 7.4% from approximately HK\$5.7 million for the nine months ended 31 December 2021 to approximately HK\$6.1 million for the nine months ended 31 December 2022. The increase was mainly due to the increase in income generated from rental service of tower cranes during the nine months ended 31 December 2022.

DISCLOSURE OF INTERESTS

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

As at 31 December 2022, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO) or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are set out as follows:

Long position in the ordinary Shares

| Name of Directors | Capacity/ Nature of Interest | Number of Shares Held | Approximate Percentage of Total Issued Shares |
|------------------------------|--------------------------------------|--------------------------|--|
| Mr. Tang Hing Keung (Note 1) | Interest in a controlled corporation | 120,000,000 | 31.91% |
| Ms. Au Fung Yee (Note 1) | Interest of spouse | 120,000,000 | 31.91% |

Note:

1. The Company is owned as to approximately 31.91% by Hing Gut Limited ("Hing Gut"), which is an investment holding company. Hing Gut is owned as to 90% by Mr. Tang Hing Keung and as to 10% by Ms. Au Fung Yee. Under the SFO, Mr. Tang Hing Keung is deemed to be interested in the same number of Shares held by Hing Gut. Ms. Au Fung Yee is the wife of Mr. Tang Hing Keung. Under the SFO, Ms. Au Fung Yee is deemed to be interested in the same number of Shares in which Mr. Tang Hing Keung is interested and is deemed to be interested. Mr. Tang Hing Keung and Ms. Au Fung Yee are directors of Hing Gut.

Long position in the ordinary shares of the associated corporation

| Name of Directors | Name of Associated Corporation | Capacity/ Nature of Interest | Number of Shares Held | Percentage of Shareholding |
|---------------------|--------------------------------|---------------------------------|--------------------------|----------------------------------|
| Mr. Tang Hing Keung | Hing Gut | Beneficial owner | 9 | 90% |
| Ms. Au Fung Yee | Hing Gut | Beneficial owner | 1 | 10% |

Save as disclosed above, as at 31 December 2022, none of the Directors and the chief executive of the Company had registered an interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

B. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2022, so far as is known to the Directors, the following entity/person (other than the Directors or chief executive of the Company, whose interests or short positions are disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above) had interests or short positions in the Shares and the underlying Shares, which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

| Name of Shareholders | Capacity/Nature of Interest | Number of Shares Held | Approximate Percentage of Total Issued Shares |
|--------------------------|-----------------------------|-----------------------|---|
| Hing Gut (<i>Note</i>) | Beneficial interest | 120,000,000 (L) | 31.91% |
| Mr. Lee Yu Leung | Beneficial interest | 98,524,000 (L) | 26.20% |

Note: The Company is owned as to approximately 31.91% by Hing Gut. Hing Gut is owned as to 90% by Mr. Tang Hing Keung and as to 10% by Ms. Au Fung Yee. Under the SFO, Mr. Tang Hing Keung is deemed to be interested in the same number of Shares held by Hing Gut. Ms. Au Fung Yee is the wife of Mr. Tang Hing Keung. Under the SFO, Ms. Au Fung Yee is deemed to be interested in the same number of Shares in which Mr. Tang Hing Keung is interested and is deemed to be interested.

L: Denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

Save as disclosed above, as at 31 December 2022, the Directors were not aware of any persons who or entities which had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

CORPORATE GOVERNANCE PRACTICES

Code provision C.2.1 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the “CG Code”) stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Tang Hing Keung is the chairman of our Board and the chief executive officer of the Company. In view of the fact that Mr. Tang Hing Keung is one of the co-founders of our Group and has been operating and managing our Group since its establishment in 1997, all the other Directors believe that the vesting of the roles of chairman and chief executive officer in Mr. Tang Hing Keung is beneficial to the business operations and management of our Group and will provide a strong and consistent leadership to our Group. Mr. Tang Hing Keung provides leadership to the Company and is responsible for strategic planning and the overall management and supervision of operations of our Group. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent advices, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authority within the Board. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by the said code provision. The Board will continue to review and monitor the practices of our Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of our Company.

Save for the deviation from code provision C.2.1 as mentioned above, the Board is satisfied that the Company had complied with all the code provisions of the CG Code during the nine months ended 31 December 2022.

SHARE OPTION SCHEME

The Company’s share option scheme (the “Share Option Scheme”) was adopted pursuant to a resolution of the sole shareholder passed on 23 February 2017 for the purpose of providing incentives or rewards to eligible persons whom the Board considers, in its sole discretion, to have contributed or will contribute to our Group. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As no share option has been granted since the adoption of the Share Option Scheme, there was no share option outstanding as at 31 December 2022 and no options were exercised or cancelled or lapsed during the nine months ended 31 December 2022.

COMPETING BUSINESS

During the nine months ended 31 December 2022, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) that had competed or might compete with the business of our Group and any other conflicts of interests which any such person had or might have with our Group.

PURCHASE, SALE OR REDEMPTION

During the nine months ended 31 December 2022, the Company repurchased an aggregate of 24,000,000 Shares on GEM of the Stock Exchange, which have been cancelled by the Company on 14 October 2022. Following such cancellation of Shares and as at the date of this report, the number of issued Shares is 376,000,000. The Directors believe that such share repurchases could enhance the value of the Shares and improve the return to the shareholders of the Company, and were exercised in the interests of the Company and the shareholders of the Company as a whole. Details of the repurchase of Shares by the Company are as follows:

| Date of repurchase | Number of Shares repurchased | Highest purchase price per Share (HK\$) | Lowest purchase price per Share (HK\$) | Consideration (HK\$) |
|--------------------|------------------------------|---|--|----------------------|
| 20 September 2022 | 800,000 | 0.28 | 0.28 | 224,000 |
| 21 September 2022 | 400,000 | 0.27 | 0.27 | 108,000 |
| 27 September 2022 | 2,000,000 | 0.275 | 0.27 | 542,500 |
| 28 September 2022 | 1,200,000 | 0.26 | 0.26 | 312,000 |
| 29 September 2022 | 2,500,000 | 0.275 | 0.265 | 675,340 |
| 30 September 2022 | 7,700,000 | 0.25 | 0.249 | 1,924,992 |
| 3 October 2022 | 4,212,000 | 0.27 | 0.265 | 1,121,180 |
| 5 October 2022 | 5,188,000 | 0.255 | 0.242 | 1,301,036 |
| | <u>24,000,000</u> | | | <u>6,209,048</u> |

Save as disclosed above, neither our Company nor any member of our Group purchased, sold or redeemed any of the listed securities of our Company during the nine months ended 31 December 2022.

SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the required standard of dealings in the securities (the “**Required Standard of Dealings**”) as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by our Company on each of the Directors, all Directors have confirmed that they have complied with the Required Standard of Dealings during the nine months ended 31 December 2022.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with our Group’s actual business progress for the period from the Listing Date to 31 December 2022 is set out below:

BUSINESS OBJECTIVES

Strengthen our market position in the suspended working platform industry

Diversify our income stream and capture the market demand of rental services of tower crane

ACTUAL PROGRESS

Our Group has acquired new motors and other necessary components for replacement of old temporary suspended working platforms.

Our Group acquired additional tower cranes in order to capture the market demand of rental services of tower crane and meet the needs of our customers. Our Group retained, three general technicians and a sales manager to support our operation in the tower crane rental business.

PRINCIPAL RISKS AND UNCERTAINTIES

Our Group’s financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties. All the risks relating to our Group’s business have been set out in the section headed “Risk Factors” in the Prospectus.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, the Board is not aware of any material event requiring disclosure that has taken place subsequent to 31 December 2022 and up to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee since 23 February 2017 with written terms of reference in compliance with code provision D.3.3 of the CG Code and Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and supervise the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chiu Chi Wing, Mr. Kwan Woon Man Boris and Mr. Yeung Chi Fai. Mr. Chiu Chi Wing is the chairman of the Audit Committee. The Audit Committee has reviewed the Unaudited Consolidated Financial Statements and this report and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board
Hing Ming Holdings Limited
Tang Hing Keung
Chairman and Chief Executive Officer

Hong Kong, 6 February 2023

As at the date of this report, the executive Directors are Mr. Tang Hing Keung (Chairman and Chief Executive Officer) and Mr. Tang Ming Hei; the non-executive Directors are Ms. Au Fung Yee and Mr. Au Lop Wah Edmond; and the independent non-executive Directors are Mr. Kwan Woon Man Boris, Mr. Chiu Chi Wing and Mr. Yeung Chi Fai.