

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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*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.*

## INTERIM 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 six months ended 30 September 2017 together with the relevant comparative figures. The information should be read in conjunction with the prospectus of the Company dated 28 February 2017 (the “**Prospectus**”). Capitalised terms used in this report shall have the same respective meanings as those defined in the Prospectus unless otherwise stated.

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

For the three and six months ended 30 September 2017

	Notes	Three months ended 30 September		Six months ended 30 September	
		2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	3	13,548	9,864	27,322	21,330
Cost of sales and services rendered		(8,013)	(5,023)	(15,680)	(10,093)
<b>Gross profit</b>		<b>5,535</b>	<b>4,841</b>	<b>11,642</b>	<b>11,237</b>
Other income		161	37	440	48
Administrative expenses		(2,452)	(1,985)	(5,314)	(3,463)
Listing expenses		–	(2,855)	–	(6,156)
Finance costs		(105)	(148)	(303)	(255)
<b>Profit/(loss) before income tax expense</b>	5	<b>3,139</b>	<b>(110)</b>	<b>6,465</b>	<b>1,411</b>
Income tax expense	6	(729)	(740)	(1,111)	(1,433)
<b>Profit/(loss) and total comprehensive income/(expenses) for the period attributable to owners of the Company</b>		<b>2,410</b>	<b>(850)</b>	<b>5,354</b>	<b>(22)</b>
<b>Earnings/(loss) per share</b>					
— Basic and diluted	8	<b>HK0.60 cent</b>	HK(0.28) cent	<b>HK1.34 cents</b>	HK(0.01) cent

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	As at 30 September 2017 (unaudited) HK\$'000	As at 31 March 2017 (audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		26,858	25,602
<b>Current assets</b>			
Inventories		1,067	579
Trade receivables	9	15,837	14,014
Prepayments, deposits and other receivables		3,184	1,668
Cash and cash equivalents		69,902	80,202
		<b>89,990</b>	96,463
<b>Current liabilities</b>			
Trade payables	10	717	33
Other payables and accruals		2,650	2,414
Income tax payable		1,081	1,123
Finance lease payables		3,074	2,979
Bank borrowings		–	10,693
		<b>7,522</b>	17,242

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
<b>Net current assets</b>	<b>82,468</b>	79,221
<b>Total assets less current liabilities</b>	<b>109,326</b>	104,823
<b>Non-current liabilities</b>		
Finance lease payables	<b>3,061</b>	4,622
Deferred tax liabilities	<b>3,069</b>	2,359
	<b>6,130</b>	6,981
<b>Net assets</b>	<b>103,196</b>	97,842
<b>Capital and reserves</b>		
Share capital	<b>4,000</b>	4,000
Reserves	<b>99,196</b>	93,842
<b>Total equity</b>	<b>103,196</b>	97,842

Notes

On behalf of the Directors

**TANG HING KEUNG**  
*Executive Director*

**TANG MING HEI**  
*Executive Director*

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve and retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	4,000	63,824	30,018	97,842
Profit and total comprehensive income for the period	–	–	5,354	5,354
<b>At 30 September 2017 (unaudited)</b>	<b>4,000</b>	<b>63,824</b>	<b>35,372</b>	<b>103,196</b>
At 1 April 2016 (audited)	6,000	–	21,206	27,206
Loss and total comprehensive expenses for the period	–	–	(22)	(22)
At 30 September 2016 (unaudited)	6,000	–	21,184	27,184

# UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	<b>Six months ended 30 September</b>	
	<b>2017 (unaudited) HK\$'000</b>	2016 (unaudited) HK\$'000
Net cash from operating activities	<b>6,632</b>	8,571
Net cash used in investing activities	<b>(4,470)</b>	(10,102)
Net cash used in financing activities	<b>(12,462)</b>	(2,341)
<b>Net decrease in cash and cash equivalents</b>	<b>(10,300)</b>	(3,872)
<b>Cash and cash equivalents at beginning of the period</b>	<b>80,202</b>	19,906
<b>Cash and cash equivalents at end of the period</b>	<b>69,902</b>	16,034

# 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 31/F., 148 Electric Road, North Point, Hong Kong.

The Company is an investment holding company. The Company’s subsidiaries 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.

Pursuant to a group reorganisation (the “**Reorganisation**”) to rationalise the structure of the Group in preparation for the Listing, the Company became the holding company of the Group. Details of the Reorganisation are set out in the section headed “History, Development and Reorganisation” in the Prospectus.

## 2. BASIS OF PRESENTATION AND PREPARATION

As a result of the Reorganisation mentioned above, the Group is regarded as a continuing entity resulting from the Reorganisation since management of the entities comprising the Group, which took part in the Reorganisation remained the same before and after the Reorganisation. Thus, there was a continuation of the risks and benefits to the controlling shareholders that existed prior to the Reorganisation.

All intra-group transactions and balances have been eliminated.

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2017 (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 preparation of the annual financial statements of the Group for the year ended 31 March 2017.

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 2017, 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.

## 2. BASIS OF PRESENTATION AND PREPARATION (CONTINUED)

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.

The preparation of the unaudited consolidated financial statements in conformity with the HKFRSs requires management to make judgments, 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 judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 six months ended 30 September 2017 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 six months ended 30 September 2017 and is summarised as follows:

	Three months ended 30 September		Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Rental and related services	11,803	8,586	22,149	18,497
Trading of equipment and spare parts	1,745	1,278	5,173	2,833
Total	13,548	9,864	27,322	21,330



#### 4. SEGMENT INFORMATION

The chief operating decision maker is identified as the executive Directors. Our Group has identified the operating segment based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation and review of performance. During the six months ended 30 September 2017, the executive Directors have considered the only operating segment of our Group is rental and related services and trading of equipment and spare parts.

#### 5. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
Profit/(loss) before income tax expense is arrived at after charging/(crediting):				
Auditor's remuneration	137	–	275	–
Cost of inventories sold and materials consumed	3,135	1,383	5,617	2,949
Write-off of trade receivables	2	336	2	374
Exchange loss/(gain), net	–	(30)	27	(34)
Depreciation of property, plant and equipment	880	617	1,731	1,213
Write-off of property, plant and equipment	–	3	3	3
Minimum lease payments under operating lease				
— storage and repairing workshop	278	286	582	582
Staff costs (including Directors' remuneration)				
— Salaries, wages and other benefits	3,007	3,254	7,527	6,077
— Retirement costs	346	313	484	505

#### 6. INCOME TAX EXPENSE

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

	Three months ended 30 September		Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
<b>Current tax</b>				
— Hong Kong profits tax	(249)	283	401	1,010
<b>Deferred tax</b>	978	457	710	423
Income tax expense	729	740	1,111	1,433

## 6. INCOME TAX EXPENSE (CONTINUED)

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands.

Hong Kong profits tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the six months ended 30 September 2017.

## 7. DIVIDEND

The Board does not declare the payment of any dividend for the six months ended 30 September 2017 (2016: Nil).

## 8. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000	2017 (unaudited) HK\$'000	2016 (unaudited) HK\$'000
<b>Earnings/(loss):</b>				
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	2,410	(850)	5,354	(22)
	'000	'000	'000	'000
<b>Number of shares:</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share (Note)	400,000	300,000	400,000	300,000
Basic earnings/(loss) per share	<b>HK0.60 cent</b>	HK(0.28) cent	<b>HK1.34 cents</b>	HK(0.01) cent

Note:

For the six months ended 30 September 2016, the calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of HK\$22,000, and on the basis of 300,000,000 shares of the Company in issue, which represents the number of shares of the Company immediately after the Reorganisation and the Capitalisation Issue as if these shares issued under the Reorganisation had been issued on 1 April 2016 but excluding any shares issued pursuant to the Share Offer.

Diluted earnings/(loss) per share was the same as the basic earnings/(loss) per share for the six months ended 30 September 2017 and 2016 as there were no dilutive potential ordinary shares in issue.

## 9. TRADE RECEIVABLES

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
Trade receivables	<b>15,837</b>	14,014

The Group's trading terms with its existing customers are mainly on credit. The credit period is 30 days or based on the terms agreed in the sale and rental agreements.

An ageing analysis of the Group's trade receivables net of impairment and based on invoice date, is as follows:

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
Within 1 month	<b>8,106</b>	5,016
More than 1 month but not more than 3 months	<b>3,176</b>	6,462
More than 3 months but not more than 6 months	<b>690</b>	1,294
More than 6 months but not more than a year	<b>3,692</b>	1,036
More than a year	<b>173</b>	206
	<b>15,837</b>	14,014

The ageing analysis of the Group's trade receivables, based on due date, is as follows:

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
Neither past due nor impaired	<b>8,102</b>	2,693
Past due but not impaired:		
Less than 1 month past due	<b>4</b>	5,875
1 to 3 months past due	<b>3,176</b>	2,939
4 to 6 months past due	<b>690</b>	1,625
More than 6 months but less than 12 months past due	<b>3,692</b>	676
More than 1 year past due	<b>173</b>	206
	<b>15,837</b>	14,014

## 9. TRADE RECEIVABLES (CONTINUED)

Trade receivables that were neither past due nor impaired relate to certain customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision 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 over these balances.

## 10. TRADE PAYABLES

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
Trade payables	<b>717</b>	33

The credit period ranges from approximately 0 to 90 days.

An ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	<b>As at 30 September 2017 (unaudited) HK\$'000</b>	As at 31 March 2017 (audited) HK\$'000
Within 1 month	<b>488</b>	22
More than 1 month but not more than 3 months	–	11
More than 3 months	<b>229</b>	–
	<b>717</b>	33

# 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 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.

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.

Our Group believes that housing construction will continue to drive the demand of our machinery in future. Given that the number of applications for public housing has been increasing in recent years in Hong Kong and reached 300,000 cases recently, the Hong Kong government and related departments are trying to find more locations to build public housing estates in order to cater for the huge demands. In the 2016 Policy Address of Hong Kong, the former Chief Executive Mr. Leung Chun-Ying announced that about 97,100 public housing units would be produced over the next five years and expected that about 87,000 units of first-hand residential property would be available in the coming three to four years. In view of the above, we are confident that the demand for our temporary suspended working platforms and tower cranes will remain strong in the years to come.

## FINANCIAL REVIEW

### Revenue

Our Group recorded an increase in revenue for the six months ended 30 September 2017, which went up by approximately 28.1% to approximately HK\$27.3 million as compared with revenue of approximately HK\$21.3 million for the six months ended 30 September 2016. The increase was mainly attributable to the additional revenue recognised from the sale of the used jointly-owned tower crane and the rental income from tower cranes.

## **Cost of sales and services rendered**

Our Group's cost of sales and services rendered amounted to approximately HK\$15.7 million for the six months ended 30 September 2017, representing an increase of approximately 55.4% (2016: approximately HK\$10.1 million). Cost of sales and services rendered mainly represents the cost of inventories sold and materials consumed, staff costs, rental of equipment and depreciation. The increase was mainly driven by the result of the increase in revenue for the six months ended 30 September 2017 as well as the increase in staff bonuses paid.

## **Gross profit and gross profit margin**

Our Group's gross profit increased by approximately 3.6% from approximately HK\$11.2 million for the six months ended 30 September 2016 to approximately HK\$11.6 million for the six months ended 30 September 2017, with gross profit margin at approximately 42.6% (2016: approximately 52.7%). The decrease in gross profit margin was mainly due to the sale of the used jointly-owned tower crane at a slight loss, and the increase in staff bonuses paid.

## **Other income**

Our Group recognised other income of approximately HK\$48,000 and approximately HK\$0.4 million for the six months ended 30 September 2016 and 2017, respectively. The increase was mainly due to the receipt of reimbursement from our insurance provider.

## **Administrative expenses**

Our administrative expenses increased by approximately HK\$1.9 million or 53.5% from approximately HK\$3.5 million for the six months ended 30 September 2016 to approximately HK\$5.3 million for the six months ended 30 September 2017. The increase was mainly due to higher professional fees, audit fees and Directors' emoluments.

## **Finance costs**

Our finance costs increased by approximately HK\$48,000 or 18.8% from approximately HK\$0.26 million for the six months ended 30 September 2016 to approximately HK\$0.30 million for the six months ended 30 September 2017. The increase was mainly due to the increase in finance costs arising from the purchase of tower cranes under finance lease.

## **Listing expenses**

We did not incur any listing expenses for the six months ended 30 September 2017 (2016: approximately HK\$6.2 million).

## **Income tax expense**

Our income tax expense decreased by approximately HK\$0.3 million or 22.5% from approximately HK\$1.4 million for the six months ended 30 September 2016 to approximately HK\$1.1 million for the six months ended 30 September 2017. The decrease in income tax expense was in line with the increase in administrative expenses as explained above.

## **Profit/(loss) and total comprehensive income/(expenses) for the period**

Our Group recorded a loss of approximately HK\$22,000 for the six months ended 30 September 2016 and a profit of approximately HK\$5.4 million for the six months ended 30 September 2017. The change was mainly due to the non-incurring of listing expenses as stated above.

## **Liquidity and capital resources**

Our Group financed the operations through a combination of cash flow from operations, borrowings and finance leases. As at 30 September 2017, our Group had cash and cash equivalents of approximately HK\$69.9 million (31 March 2017: approximately HK\$80.2 million). The decrease in cash and cash equivalents was mainly due to the repayment of bank borrowings and purchase of property, plant and equipment.

As at 30 September 2017, we had nil bank borrowings (31 March 2017: approximately HK\$10.7 million) and finance lease payables of approximately HK\$6.1 million (31 March 2017: HK\$7.6 million), which were all denominated in Hong Kong Dollars. The lease term is 3 years, with effective interest rate of approximately 6.3% (31 March 2017: approximately 6.3%) per annum for the six months ended 30 September 2017. Our gearing ratio, calculated based on the sum of the bank borrowings and finance lease payables divided by the total equity at the end of the period/year and multiplied by 100%, stood at approximately 5.9% as at 30 September 2017 (31 March 2017: approximately 18.7%). Our Group's financial position is sound and strong. With available bank balances and cash and banking facilities, our Group has sufficient liquidity to satisfy the funding requirements.

### **Capital structure**

On 15 March 2017, our issued Shares were listed successfully on GEM of the Stock Exchange. Since then, our Group's capital structure has not changed. The share capital of our Company only comprises ordinary shares.

As at 30 September 2017, our Company's issued share capital amounted to HK\$4,000,000 and there were a total of 400,000,000 issued ordinary shares with a nominal value of HK\$0.01 each.

### **Commitments**

The operating lease commitments of our Group were primarily related to the leases of a storage and repairing workshop. Our Group's operating lease commitments amounted to approximately HK\$0.3 million as at 30 September 2017 (31 March 2017: approximately HK\$0.9 million).

As at 30 September 2017, the capital commitments of property, plant and equipment contracted for but not provided amounted to approximately HK\$6.1 million (31 March 2017: Nil), which consist primarily of purchase of construction machinery for rental purpose.

### **Contingent liabilities**

As at 30 September 2017, our Group had no material contingent liabilities (31 March 2017: nil).



## **Foreign exchange exposure**

Our Group's revenue generating operations are mainly transacted in Hong Kong Dollars. Our Directors consider that the impact of foreign exchange exposure to our Group is minimal.

## **Material acquisitions or disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets**

Apart from the Reorganisation, there were no material acquisitions or disposals of subsidiaries and affiliated companies for the six months ended 30 September 2017. Save for the business plan as disclosed in the Prospectus, there was no other plan for material investments or capital assets as at 30 September 2017.

## **Significant investments**

As at 30 September 2017, our Group did not hold any significant investments.

## **Charge on our Group's assets**

As at 30 September 2017, our Group had no charges on our Group's assets.

## **Employees and remuneration policies**

As at 30 September 2017, our Group employed 47 (31 March 2017: 43) full-time employees. Staff costs of our Group (including Directors' remuneration) were approximately HK\$8.0 million for the six months ended 30 September 2017 (2016: approximately HK\$6.6 million). The increase in staff costs was mainly due to the increases in Directors' remuneration, headcount and salary for the six months ended 30 September 2017. We determine the employees' remuneration based on factors such as qualification, responsibilities, contributions and years of experience. In addition to basic salary, discretionary bonus may be granted to staff by reference to the Group's financial results, individual staff member's performance and the market conditions. We provide a defined contribution to the mandatory provident fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong. The key principles of the remuneration policy are to remunerate employees in a manner that is market competitive. We regularly carry out staff evaluation to assess their performance. Furthermore, our Company has adopted a share option scheme to reward the participants for their contribution to our Group.

## 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 30 September 2017, 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 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	Nature of Interest	Number of Shares Held	Approximate Percentage of Total Issued Shares
Mr. Tang Hing Keung (Note)	Interest in a controlled corporation	300,000,000	75%
Ms. Au Fung Yee (Note)	Interest of spouse	300,000,000	75%

Note: The Company is owned as to 75% by 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	Nature of Interest	Number of Shares Held	Approximate 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 30 September 2017, 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 IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2017, so far as is known to the Directors, the following entity (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 Shareholder	Nature of Interest	Number of Shares Held	Approximate
			Percentage of Total Issued Shares
Hing Gut ( <i>Note</i> )	Beneficial interest	300,000,000 (L)	75%

*Note:* The Company is owned as to 75% 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 30 September 2017, 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 A.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. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by the said code provision.

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.

Save for the deviation from code provision A.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 six months ended 30 September 2017.

## 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 30 September 2017 and no options were exercised or cancelled or lapsed during the six months ended that date.

## COMPETING BUSINESS

During the six months ended 30 September 2017, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates 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.

## INTERESTS OF COMPLIANCE ADVISER

As at 30 September 2017, as notified by CLC International Limited, the compliance adviser of the Company (the “**Compliance Adviser**”), except for the compliance adviser agreement dated 27 February 2017 and entered into between our Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates had any interests in relation to our Company, which was required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

Neither our Company nor any member of our Group purchased, sold or redeemed any of the listed securities of our Company during the six months ended 30 September 2017.

## 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 six months ended 30 September 2017.

## 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 30 September 2017 is set out below:

### BUSINESS OBJECTIVES

### ACTUAL PROGRESS

Strengthen our market position in the suspended working platform industry

Our Group has used approximately HK\$2.1 million to purchase 200 motors.

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

Our Group has entered into two contracts to purchase a total of four tower cranes, with a total estimated contract sum of HK\$7.4 million. We have settled the first installment of the above contracts of HK\$1.3 million as at 30 September 2017 and have further paid HK\$4.8 million in October 2017. Full settlement of the remaining balance will be made upon the arrival of the tower cranes. They are expected to arrive in Hong Kong by early December 2017.

Our Group also incurred HK\$260,000 to recruit and retain two general technicians and a sales manager to support our operation in tower crane rental business.

## USE OF PROCEEDS

Our Shares were initially listed on GEM of the Stock Exchange on the Listing Date by way of share offer of a total of 100,000,000 new Shares at an offer price of HK\$0.75 each and the net proceeds raised from the share offer were approximately HK\$53.3 million after deducting the listing expenses.

In line with that disclosed in the Prospectus, our Company intends to apply the net proceeds raised from the share offer as to (i) approximately 26.3% of the net proceeds or approximately HK\$14.0 million to strengthen our market position in the suspended working platform industry; (ii) approximately 66.1% of the net proceeds or approximately HK\$35.2 million to capture the market demand of rental services of tower cranes; and (iii) approximately 7.6% of the net proceeds or approximately HK\$4.1 million for general working capital.

	<b>Proposed amount to be used up to 30 September 2017 HK\$ (million)</b>	<b>Approximate actual amount utilised as at 30 September 2017 HK\$ (million)</b>	<b>Unutilised amount out of the proposed amount as at 30 September 2017 HK\$ (million)</b>
Strengthen our market position in the suspended working platform industry	8.2	2.1	6.1
Diversify our income stream and capture the market demand of rental services of tower crane <i>(Note)</i>	18.4	1.6	16.8

*Note:* Our Group has purchased four tower cranes with a total estimated contract sum of HK\$7.4 million, of which HK\$1.3 million was settled up to 30 September 2017. The remaining balance of HK\$6.1 million was required to be settled after 30 September 2017.



Since our Group is still in the process of negotiation with potential customers for new projects, and we will only purchase the equipment after the relevant contracts are secured, the majority of the net proceeds has not yet been utilised. As at the date of this report, our Directors do not anticipate any change to the plan as to the use of proceeds.

As at the date of this report, the unutilised proceeds have been placed with banks in Hong Kong as short-term deposits.

## **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**

The Board is not aware of any material event requiring disclosure that has taken place subsequent to 30 September 2017 and up to the date of this report.

## AUDIT COMMITTEE

The Audit Committee was established on 23 February 2017 with written terms of reference in compliance with code provision C.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. Tang Man Ho Michael. 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, 8 November 2017

*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. Tang Man Ho Michael.*