



# HING MING HOLDINGS LIMITED 興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8425

2020  
INTERIM REPORT

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

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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.

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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 2020 together with the relevant comparative unaudited figures for the corresponding period in 2019 and the relevant explanatory notes as follows:

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

*For the three and six months ended 30 September 2020*

	Notes	Three months ended 30 September		Six months ended 30 September	
		2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Revenue	3	15,658	12,303	28,497	30,204
Cost of sales and services rendered		(9,106)	(7,864)	(16,129)	(19,210)
<b>Gross profit</b>		<b>6,552</b>	<b>4,439</b>	<b>12,368</b>	<b>10,994</b>
Other income		1,258	111	1,427	246
Administrative expenses		(3,477)	(2,077)	(5,498)	(4,144)
Finance costs		(114)	(222)	(254)	(362)
<b>Profit before income tax expense</b>	5	<b>4,219</b>	<b>2,251</b>	<b>8,043</b>	<b>6,734</b>
Income tax expense	6	(366)	(571)	(1,126)	(3,085)
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>		<b>3,853</b>	<b>1,680</b>	<b>6,917</b>	<b>3,649</b>
<b>Earnings per share</b>					
— Basic and diluted	8	HK0.96 cent	HK0.42 cent	HK1.73 cent	HK0.91 cent

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	As at 30 September 2020 (unaudited) <i>Notes</i>	As at 31 March 2020 (audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>		
Property, plant and equipment	113,077	105,089
Deposits paid for purchase of property, plant and equipment	2,115	7,299
	115,192	112,388
<b>Current assets</b>		
Inventories	151	1,192
Trade receivables	9 15,510	12,779
Prepayments, deposits and other receivables	3,192	1,678
Cash and cash equivalents	19,366	22,492
	38,219	38,141
<b>Current liabilities</b>		
Contract liabilities	644	1,826
Trade and other payables	10 2,937	3,389
Lease liabilities	6,428	7,158
Current tax payables	4,243	2,666
	14,252	15,039

	As at 30 September 2020 (unaudited) <i>Notes</i> <b>HK\$'000</b>	As at 31 March 2020 (audited) <i>HK\$'000</i>
<b>Net current assets</b>	<b>23,967</b>	23,102
<b>Total assets less current liabilities</b>	<b>139,159</b>	135,490
<b>Non-current liabilities</b>		
Lease liabilities	485	3,282
Deferred tax liabilities	<b>11,947</b>	12,398
	<b>12,432</b>	15,680
<b>Net Assets</b>	<b>126,727</b>	119,810
<b>Capital and Reserves</b>		
Share capital	4,000	4,000
Reserves	<b>122,727</b>	115,810
<b>Total Equity</b>	<b>126,727</b>	119,810

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	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 2020 (audited)	4,000	63,824	6,000	45,986	119,810
Profit and total comprehensive income for the period	-	-	-	6,917	6,917
<b>At 30 September 2020 (unaudited)</b>	<b>4,000</b>	<b>63,824</b>	<b>6,000</b>	<b>52,903</b>	<b>126,727</b>
At 1 April 2019 (audited)	4,000	63,824	6,000	44,882	118,706
Profit and total comprehensive income for the period	-	-	-	3,649	3,649
At 30 September 2019 (unaudited)	4,000	63,824	6,000	48,531	122,355

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Net cash from operating activities	<u>11,629</u>	1,439
Net cash used in investing activities	<u>(10,974)</u>	(8,005)
Net cash used in financing activities	<u>(3,781)</u>	(1,494)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,126)</b>	(8,060)
<b>Cash and cash equivalents at beginning of the period</b>	<u>22,492</u>	37,583
<b>Cash and cash equivalents at end of the period</b>	<u><b>19,366</b></u>	29,523

# 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 is Hing Gut Limited (“**Hing Gut**”), a company incorporated in the British Virgin Islands.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (A) Statement of compliance

The unaudited consolidated financial statements of the Group for the six months ended 30 September 2020 (the “**2020 Interim 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 HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

A summary of the significant accounting policies adopted by the Group is set out below.

### (B) Basis of preparation

The measurement basis used in the preparation of the 2020 Interim Financial Statements is the historical cost basis.

The preparation of the 2020 Interim Financial Statements in conformity with 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 carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (B) Basis of preparation (continued)

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 2020 Interim Financial Statements 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 2020 Interim 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 2020 and is summarised as follows:

	Three months ended 30 September		Six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Rental and related services	11,145	11,843	23,201	20,724
Trading of equipment and spare parts	4,513	460	5,296	9,480
Total	15,658	12,303	28,497	30,204

## 4. SEGMENT INFORMATION

The chief operating decision maker is identified as the executive Directors. The 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 2020, 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 BEFORE INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) before income tax expense is arrived at after charging/(crediting):				
Auditor's remuneration	110	109	220	219
Cost of inventories sold and materials consumed	2,662	275	2,709	5,879
Exchange (gain)/loss, net	(41)	1	(41)	1
Depreciation of property, plant and equipment	3,356	2,504	7,258	5,351
Staff costs (including Directors' remuneration)				
— Salaries, wages and other benefits	4,120	2,907	6,980	5,721
— Retirement costs	138	115	271	235

## 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		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Hong Kong profits tax</b>				
Current tax	872	323	1,577	1,598
<b>Deferred tax</b>	(506)	248	(451)	1,487
Income tax expense	366	571	1,126	3,085

### 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 period ended 30 September 2020 and 30 September 2019, respectively.

## 6. INCOME TAX EXPENSE (CONTINUED)

### Income tax from other tax jurisdictions

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in respective tax jurisdictions.

## 7. DIVIDEND

The Board does not declare the payment of any dividend for the six months ended 30 September 2020 (2019: Nil).

## 8. 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 30 September		Six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
<b>Earnings:</b>				
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<b>3,853</b>	1,680	<b>6,917</b>	3,649
	<b>'000</b>	'000	<b>'000</b>	'000
<b>Number of shares:</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Note)	<b>400,000</b>	400,000	<b>400,000</b>	400,000
Basic earnings per share	<b>HK0.96 cent</b>	HK0.42 cent	<b>HK1.73 cent</b>	HK0.91 cents

### Note:

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the six months ended 30 September 2020 of HK\$6,917,000 (2019: HK\$3,649,000) and the weighted average of ordinary shares of 400,000,000 (2019: 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 six months ended 30 September 2020 and 2019.

## 9. TRADE RECEIVABLES

	<b>As at 30 September 2020 (unaudited) HK\$'000</b>	As at 31 March 2020 (audited) HK\$'000
Trade receivables	<b>15,510</b>	12,779

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 2020 (unaudited) HK\$'000</b>	As at 31 March 2020 (audited) HK\$'000
Within 1 month	<b>7,038</b>	4,892
More than 1 month but not more than 3 months	<b>4,636</b>	6,109
More than 3 months but not more than 6 months	<b>3,131</b>	595
More than 6 months but not more than a year	<b>360</b>	855
More than a year	<b>345</b>	328
	<b>15,510</b>	12,779

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 of the Group 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 AND OTHER PAYABLES

	As at 30 September 2020 (unaudited) <i>HK\$'000</i>	As at 31 March 2020 (audited) <i>HK\$'000</i>
Trade payables	1,228	984
Accrual expenses	1,709	2,405
	<b>2,937</b>	<b>3,389</b>

All trade and other payables are expected to be settled within one year.

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

	As at 30 September 2020 (unaudited) <i>HK\$'000</i>	As at 31 March 2020 (audited) <i>HK\$'000</i>
Within 1 month	708	2
More than 1 month but not more than 3 months	–	381
More than 3 months but less than 6 months	427	508
More than 1 year	93	93
	<b>1,228</b>	<b>984</b>

# 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.

### 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 and China, and sell them mainly to construction contractors and trading companies in Hong Kong.

During the reporting period, the economic environment was challenging and the momentum of economic growth had significantly slowed down. Due to certain uncertainties in the local and global economy, our Group recorded a slight decrease in revenue for the six months ended 30 September 2020, which decreased by approximately 5.7% to approximately HK\$28.5 million as compared with revenue of approximately HK\$30.2 million for the six months ended 30 September 2019. Our Group will endeavor to 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.

Looking forward, our Group 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 a decrease in revenue for the six months ended 30 September 2020, which decreased by approximately 5.7% to approximately HK\$28.5 million as compared with revenue of approximately HK\$30.2 million for the six months ended 30 September 2019. The decrease was mainly due to decrease in income generated from trading of permanent suspended working platforms business.

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

Our Group's cost of sales and services rendered amounted to approximately HK\$16.1 million for the six months ended 30 September 2020, representing a decrease of approximately 16.0% (2019: approximately HK\$19.2 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 decrease was in line with decrease in revenue for the six months ended 30 September 2020.

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

Our Group's gross profit increased by approximately 12.5% from approximately HK\$11.0 million for the six months ended 30 September 2019 to approximately HK\$12.4 million for the six months ended 30 September 2020, with gross profit margin at approximately 43.4% (2019: approximately 36.4%). The increase in gross profit was mainly due to the higher profit margin from rental income of tower cranes as compared to the corresponding period last year.

### **Other income**

Our Group recognised other income of approximately HK\$246,000 and approximately HK\$1.4 million for the six months ended 30 September 2019 and 2020, respectively. The increase was mainly due to the income received from anti-epidemic fund subsidy scheme in the six months ended 30 September 2020.

## **Administrative expenses**

Our administrative expenses increased by approximately HK\$1.4 million or 32.7% from approximately HK\$4.1 million for the six months ended 30 September 2019 to approximately HK\$5.5 million for the six months ended 30 September 2020. The increase mainly represented the staff bonus issued during the six months ended 30 September 2020.

## **Finance costs**

Our finance costs decreased by approximately HK\$0.1 million or 29.8% from approximately HK\$0.4 million for the six months ended 30 September 2019 to approximately HK\$0.3 million for the six months ended 30 September 2020. The decrease was mainly due to the decrease in finance liabilities under finance lease of tower cranes.

## **Profit and total comprehensive income for the period**

Our Group's profit and total comprehensive income increased by approximately 89.6% from approximately HK\$3.6 million for the six months ended 30 September 2019 to approximately HK\$6.9 million for the six months ended 30 September 2020. The increase was mainly due to the decrease in income tax expenses charged during the six months ended 30 September 2020.

## **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 2020, our Group had cash and cash equivalents of approximately HK\$19.4 million (31 March 2020: approximately HK\$22.5 million). The decrease in cash and cash equivalents was mainly due to purchase of property, plant and equipment during the six months ended 30 September 2020.

As at 30 September 2020, we had lease liabilities of approximately HK\$6.9 million (31 March 2020: HK\$10.4 million), which were all denominated in Hong Kong Dollars. Our gearing ratio, calculated based on the sum of the lease liabilities divided by the total equity at the end of the period/year and multiplied by 100%, stood at approximately 5.5% as at 30 September 2020 (31 March 2020: approximately 8.7%). 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 (the “**Listing Date**”), the issued shares of our Company (the “**Shares**”) were successfully listed 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 2020, 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**

As at 30 September 2020, the Group did not have any significant capital commitments (30 September 2019: nil).

## **Contingent liabilities**

As at 30 September 2020, our Group had no material contingent liabilities (31 March 2019: 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**

Save for the business plan as disclosed in the prospectus of the Company dated 28 February 2017 (the “**Prospectus**”) and the announcement of the Company dated 28 August 2020, there was no other plan for material investments or capital assets as at 30 September 2020.

## **Significant investments**

As at 30 September 2020, our Group did not hold any significant investments.

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

As at 30 September 2020, our Group had no charges on our Group's assets.

## **Employees and remuneration policies**

As at 30 September 2020, our Group employed 39 (31 March 2020: 44) full-time employees. Staff costs of our Group (including Directors' remuneration) were approximately HK\$7.0 million for the six months ended 30 September 2020 (2019: approximately HK\$6.0 million). The increase in staff costs was mainly due to the staff bonus paid of HK\$1.1 million for the six months ended 30 September 2020. 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 2020, 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	120,000,000 (L)	30%
Ms. Au Fung Yee (Note)	Interest of spouse	120,000,000 (L)	30%

*Note:* The Company is owned as to 30.0% 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.

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

### 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 (L)	90%
Ms. Au Fung Yee	Hing Gut	Beneficial owner	1 (L)	10%

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

Save as disclosed above, as at 30 September 2020, 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 2020, 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 Shareholder	Nature of Interest	Number of Shares Held	Approximate Percentage of Total Issued Shares
Hing Gut ( <i>Note 1</i> )	Beneficial interest	120,000,000 (L)	30.0%
Ms. Woo Lan Ying ( <i>Note 2</i> )	Beneficial interest and interest in a controlled corporation	93,688,000 (L)	23.42%

### Notes:

- The Company is owned as to 30.0% 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.
  - Ms. Woo Lan Ying is beneficially interested in 90,000,000 Shares. In addition, 3,688,000 Shares are held by Yi Feng Investment Limited, a company wholly-owned by Ms. Woo Lan Ying. By virtue of the SFO, Ms. Woo Lan Ying is deemed to be interested in the Shares held by Yi Feng Investment Limited. Accordingly, Ms. Woo Lan Ying is deemed to be interested in an aggregate 93,688,000 Shares, representing approximately 23.42% of the total number of issued Shares.
- L: Denotes a "long position" (as defined under Part XV of the SFO) in such Shares.

Save as disclosed above, as at 30 September 2020, 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 2020.

## 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 2020 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 2020, 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.

## 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 2020.

## 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 2020.

## 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 2020 is set out below:

### BUSINESS OBJECTIVES

### ACTUAL PROGRESS

Strengthen our market position in the suspended working platform industry

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

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

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 two general technicians and a sales manager to support our operation in the 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 (the "**Net Proceeds**").



On 28 August 2020, the Board resolved to change the original use of the Net Proceeds and re-allocate approximately HK\$7.2 million of the unutilised Net Proceeds from strengthening the Group's market position in suspended working platform to diversify the Group's income stream and capture the market demand of rental services of tower crane. Breakdown of the adjusted Net Proceeds, the breakdown of the amount of utilised Net Proceeds and the remaining balance as at 30 September 2020 are summarised as follows:

	<b>Adjusted Net Proceeds</b> <i>HK\$ (million)</i>	<b>Net proceeds utilised up to 30 September 2020</b> <i>HK\$ (million)</i>	<b>Net proceeds unutilised as at 30 September 2020</b> <i>HK\$ (million)</i>
Strengthen our market position in the suspended working platform industry	6.8	6.8	–
Diversify our income stream and capture the market demand of rental services of tower crane	42.4	42.4	–
General working capital	4.1	4.1	–
	<hr/> 53.3	<hr/> 53.3	<hr/> –

## 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 2020 and up to the date of this report.

## AUDIT COMMITTEE

The Company established an Audit Committee 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 Ms. Li Kai Lai Miranda. Mr. Chiu Chi Wing is the chairman of the Audit Committee. The Audit Committee has reviewed the 2020 Interim 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, 9 November 2020

*As at the date of this report, the executive Directors are Mr. Tang Hing Keung (Chairman and Chief Executive Officer), Mr. Tang Ming Hei and Ms. Au Man Yi; 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 Ms. Li Kai Lai Miranda.*