*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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF 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.

*This announcement, for which the directors (the "**Directors**") of Hing Ming Holdings Limited (the "**Company**") 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 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.*

FINANCIAL HIGHLIGHTS

- Revenue of the Company and its subsidiaries (collectively, the "**Group**") was approximately HK$44.9 million for the year ended 31 March 2017 ("**FY2017**" or the "**Year**"), representing a slight decrease of approximately 0.3% as compared with the revenue of approximately HK$45.0 million for the year ended 31 March 2016 ("**FY2016**").
- Gross profit of the Group was approximately HK$24.5 million for the Year, representing an increase of approximately 16.5% as compared with the gross profit of approximately HK$21.1 million for FY2016.
- The Group's gross profit margin increased from approximately 46.8% for FY2016 to approximately 54.7% for the Year.
- The Group's profit and total comprehensive income decreased by approximately 70.6% from approximately HK$9.6 million for FY2016 to approximately HK$2.8 million for the Year.
- Earnings per share attributable to owners of the Company was approximately HK0.9 cents for the Year (2016: approximately HK3.2 cents).
- The board of Directors (the "**Board**") has resolved not to recommend the payment of any final dividend for the Year.
- As at 31 March 2017, the Group's cash and cash equivalents amounted to approximately HK$80.2 million (2016: approximately HK$19.9 million) and the Group had bank borrowings and finance lease payables in total of approximately HK$18.3 million (2016: approximately HK$15.7 million).

The Board announces the audited consolidated annual results of the Group for the Year together with the comparative figures for FY2016. The information should be read in conjunction with the prospectus of the Company dated 28 February 2017 (the "**Prospectus**"). Capitalised terms used in this announcement shall have the same respective meanings as those defined in the Prospectus unless otherwise stated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** **HK$'000**	2016 *HK$'000*
Revenue	*5*	**44,867**	45,017
Cost of sales and services rendered		**(20,333)**	(23,952)
Gross profit		**24,534**	21,065
Other income	*6*	**17**	369
Administrative expenses		**(7,782)**	(5,874)
Listing expenses		**(10,489)**	(3,368)
Finance costs	*7*	**(668)**	(190)
Profit before income tax expense	*8*	**5,612**	12,002
Income tax expense	*9*	**(2,800)**	(2,440)
Profit and total comprehensive income for the Year		**2,812**	9,562
Earnings per share — Basic and diluted	*11*	**HK0.92 cents**	HK3.19 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment		**25,602**	13,317
Current assets			
Inventories		**579**	791
Trade receivables	*12*	**14,014**	11,535
Prepayments, deposits and other receivables		**1,668**	2,312
Cash and cash equivalents		**80,202**	19,906
		96,463	34,544
Current liabilities			
Trade payables	*13*	**33**	73
Other payables and accruals		**2,414**	2,245
Income tax payable		**1,123**	627
Finance lease payables		**2,979**	–
Bank borrowings		**10,693**	15,674
		17,242	18,619
Net current assets		**79,221**	15,925
Total assets less current liabilities		**104,823**	29,242
Non-current liabilities			
Finance lease payables		**4,622**	–
Deferred tax liabilities		**2,359**	2,036
		6,981	2,036
Net assets		**97,842**	27,206
Capital and reserves			
Share capital	*14*	**4,000**	6,000
Reserves		**93,842**	21,206
Total equity		**97,842**	27,206

NOTES

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 April 2016. Its issued shares were 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 Group is 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 (the "**BVI**").

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 of the Company dated 28 February 2017.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2016

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation

The adoption of these amendments has no material impact on the Group's consolidated financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrecognised Losses[1]
HKFRS 9	Financial Instruments[2]
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HKFRSs (Amendments)	Annual Improvements 2014–2016 Cycle[4]

1 Effective for annual periods beginning on or after 1 January 2017

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for annual periods beginning on or after 1 January 2019

4 Effective for annual periods beginning on or after 1 January 2017 and 1 January 2018

Except as described below, the Directors do not anticipate that the application of the new and revised HKFRSs will have material impact on the Group's financial performance and position and/or on the disclosures to the Group's consolidated financial statements.

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("**FVTPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in Hong Kong Accounting Standard(s) ("**HKAS(s)**") 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Directors anticipate that the application of HKFRS 9 in the future will have an impact on amounts reported in respect of the Group's financial performance and financial assets (e.g. impairment on trade receivables and loan receivables) resulting from early provision of credit losses using the expected loss impairment model under HKFRS 9 instead of incurred loss model under HKAS 39. Currently, the Directors are in the midst of assessing the financial impact of the application of HKFRS 9 and a reasonable estimate of the effect will be available once the detailed review is completed.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach take under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported on revenue as the timing of revenue recognition may be affected by the new standard, and more disclosures relating to revenue are required. Currently, the Directors are in the midst of assessing the financial impact of the application of HKFRS 15 and a reasonable estimate of the effect will be available once the detailed review is completed.

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As at 31 March 2017, the amount of operating lease commitment of the Group was approximately HK$873,000. The Directors of the Company do not expect the adoption of HKFRS 16 would result in significant impact on the Company's financial performance but it is expected that certain portion of these lease commitments will be required to be recognised in the statement of financial position as right-to-use assets and lease liabilities.

3. BASIS OF PRESENTATION AND PREPARATION

(a) Basis of presentation

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, there was a continuation of the risks and benefits to the controlling shareholders that existed prior to the Reorganisation.

Accordingly, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for FY2017 and FY2016 have included the results, changes in equity and cash flows of the companies now comprising the Group from the earliest date presented or since their respective dates of incorporation, whichever was shorter, as if the current group structure had been in existence throughout the reporting periods. The consolidated statement of financial position of the Group as of 31 March 2017 and 2016 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at the reporting dates. No adjustment is made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation. All significant intragroup transactions and balances have been eliminated on consolidation.

(b) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, HKASs issued by the Hong Kong Institute of Certified Public Accountants and Interpretations (hereinafter collectively referred to as the "**HKFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands, except when otherwise indicated.

4. SEGMENT INFORMATION

The chief operating decision maker is identified as executive directors of the Company. The Group has identified its operating segment based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance. During the years, the executive directors have considered the only operating segment of the Group is rental and related services and trading of equipment and spare parts.

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers.

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**40,210**	39,725
Thailand	**4,121**	4,192
Macau	**382**	901
Others	**154**	199
	44,867	45,017

All of the Group's non-current assets are located in Hong Kong.

Information about major customers

Turnover from customers contributing over 10% of total revenue of the Group is as follows:

	2017	2016
	HK$'000	*HK$'000*
Client A	**18,106**	20,080
Client B	**8,708**	3,121
Client C	**6,469**	8,530

5. 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 year and is summarised as follows:

	2017	2016
	HK$'000	*HK$'000*
Rental and related services	**33,364**	34,205
Trading of equipment and spare parts	**11,503**	10,812
Total	**44,867**	45,017

6. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Bank interest income	**2**	1
Sundry income	**15**	368
Total	**17**	369

7. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on finance lease	**368**	–
Interest on bank borrowings	**300**	190
Total	**668**	190

8. PROFIT BEFORE INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Profit before income tax expense is arrived at after charging:		
Auditor's remuneration	**550**	250
Cost of inventories sold and material consumed	**5,476**	9,099
Written off of trade receivables	**429**	805
Exchange loss, net	**62**	93
Depreciation of property, plant and equipment	**2,842**	2,402
Written off of property, plant and equipment	**21**	82
Loss on disposal of property, plant and equipment	**–**	19
Minimum lease payments under operating lease — storage and repairing workshop	**1,209**	1,087
Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**11,056**	10,492
Retirement costs	**540**	388

9. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of comprehensive income represents:

	2017	2016
	HK$'000	*HK$'000*
Current tax — Hong Kong profits tax		
Provision for the year	**2,477**	1,921
Overprovision in respect of previous years	**–**	(166)
	2,477	1,755
Deferred tax		
Current year	**323**	685
Income tax expense	**2,800**	2,440

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 year.

10. DIVIDEND

The Directors do not recommend the payment of any dividend for FY2017 (FY2016: Nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for FY2017 of HK$2,812,000 and on the basis of the weighted average number of 304,383,562 ordinary shares in issue upon the subsequent listing of the Company's shares on 15 March 2017.

For FY2016, the calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$9,562,000, 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 2015 but excluding any shares issued pursuant to the share offer.

Diluted earnings per share is same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during FY2017 and FY2016.

12. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**14,014**	11,535

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:

	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**5,016**	3,257
More than 1 month but not more than 3 months	**6,462**	3,938
More than 3 months but not more than 6 months	**1,294**	2,405
More than 6 months but not more than a year	**1,036**	1,935
More than a year	**206**	–
	14,014	11,535

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

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**2,693**	3,257
Past due but not impaired:		
Less than 1 month past due	**5,875**	3,696
1 to 3 months past due	**2,939**	1,259
4 to 6 months past due	**1,625**	1,583
More than 6 months but less than 12 months	**676**	1,740
More than 1 year	**206**	–
	14,014	11,535

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 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.

13. TRADE PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**33**	73

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:

	2017	2016
	HK$'000	*HK$'000*
Within 1 month	**22**	50
More than 1 month but not more than 3 months	**11**	23
	33	73

14. SHARE CAPITAL

	Number	Amount
		HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
Upon incorporation	38,000,000	380
Increase of authorised shares *(note (a))*	9,962,000,000	99,620
At 31 March 2017	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
Upon incorporation *(note (a))*	1	–
Allotment of shares *(note (b))*	99	–
Capitalisation issue of shares *(note (c))*	299,999,900	3,000
Issue of shares under share offer *(note (d))*	100,000,000	1,000
At 31 March 2017	400,000,000	4,000

Note:

(a) The Company was incorporated in the Cayman Islands on 8 April 2016, with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares with a par value of HK$0.01 each. On the same day, one subscriber share with a par value of HK$0.01 was allotted and issued as fully paid to the initial subscriber. On the same day, the said one share was transferred to Hing Gut at par value of HK$0.01.

(b) On 23 February 2017, Mr. Tang Hing Keung ("**Mr. H.K. Tang**") and Ms. Au Fung Yee ("**Ms. Au**") (as transferors), Trend Novel Limited ("**Trend Novel**") (as transferee), Hing Gut, the Company and Hing Ming Gondola (HK) Company Limited ("**Hing Ming HK**") entered into the reorganisation agreement dated 23 February 2017 ("**Reorganisation Agreement**"). Pursuant to the Reorganisation Agreement, Trend Novel acquired the entire issued share capital of Hing Ming HK, which comprised (i) 5,400,000 ordinary shares held by Mr. H.K. Tang; and (ii) 600,000 ordinary shares held by Ms. Au. The shares were transferred to Trend Novel in consideration of the allotment and issue of 99 Shares, credited as fully paid, to Hing Gut.

(c) Pursuant to the Listing, the Directors were authorised to capitalise an amount of HK$2,999,999 standing to the credit of the share premium account of the Company by applying such sum towards to pay up in full at par of 299,999,900 shares for allotment and issue to the sole shareholder, namely Hing Gut.

(d) Under a share offer took place during the year, 100,000,000 new ordinary shares of HK$0.01 each were issued at a price of HK$0.75 per share for a total cash consideration (before share issuance expenses) of HK$75,000,000.

(e) Before the completion of the Reorganisation, the share capital balance in the consolidated statement of financial position as at 31 March 2016 represented the combined share capital of the entities now comprising the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

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. We have over 18 years of experience in providing rental and related services of temporary suspended working platforms to our customers.

Market review

Our temporary suspended working platforms and tower cranes are commonly used in housing construction. We believe 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 to the huge demands. In the 2016 Policy Address of Hong Kong, the Chief Executive Mr. Leung Chun-Ying announced that about 97,100 public housing units will 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.

Looking forward, drawing on our Group's extensive expertise, our Group will strive to lead the temporary suspended working platform industry with the offer of our high-quality equipment and premium service and also seize emerging opportunities in the growing equipment rental industry.

Business Review

Our Group has been providing temporary suspended working platforms to our customers for housing construction or repair and refurbishment purpose. 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.

With our established customer and supplier base, we also engage in the trading of equipment and spare parts predominantly in Hong Kong, mainly including permanent suspended working platforms, motors and wire rope, 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.

Rental fleet

As at 31 March 2017, the machinery which we carried as part of our rental fleet included temporary suspended working platforms, tower cranes and generators. Details of the machinery available for our rental operations are summarised as follows:

	As at	
	31 March 2017 Number in fleet	31 March 2016 Number in fleet
Temporary suspended working platforms	**1,056**	1,224
Tower cranes *(note)*	**5**	1
Generators	**15**	9

Note: As at 31 March 2016 and 2017, our Group owned one jointly-owned tower crane. Each of our Group and an independent business partner had a 50% interest in the jointly-owned tower crane.

In order to capture the market demand for rental services of tower cranes and to meet the needs of our customers, we purchased four tower cranes during FY2017. Such new tower cranes have been used for a building construction project in Kau To Shan, Hong Kong, which commenced in November 2016.

Our Directors will continue to monitor the expansion plan of our rental fleet and the capital requirements of our Group regularly, and will consider rescheduling such expansion according to our operation and needs, the preference of our target customers and the market conditions if necessary. We shall also review regularly the timing for the purchase of additional and replacement of existing construction machineries if, among others, market conditions have changed.

Financial Review

Revenue

Our Group recorded stable revenue for FY2017, which decreased slightly by approximately 0.3% to approximately HK$44.9 million as compared with revenue of approximately HK$45.0 million for FY2016. The slight decrease in revenue was mainly due to the delay in a major residential building construction project in Tseung Kwan O, Hong Kong, which led to the drop in our revenue from rental services.

Cost of sales and services rendered

Our Group's cost of sales and services rendered amounted to approximately HK$20.3 million in FY2017, representing a decrease of approximately 15.1% (FY2016: approximately HK$24.0 million). Cost of sales and services rendered mainly represents the cost of inventories sold and materials consumed, staff cost, rental of equipment and depreciation. The decrease was mainly attributable to a decrease in the cost of our inventories sold and materials consumed, which was consequential to the slight decrease in revenue from trading of equipment and spare parts and the decrease in materials consumed.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately 16.5% from approximately HK$21.1 million in FY2016 to approximately HK$24.5 million in FY2017, with gross profit margin at approximately 54.7% (FY2016: approximately 46.8%). The increase in gross profit margin was mainly due to (i) the sale of smaller sized permanent suspended working platforms sourced from Europe, which generally had a higher profit margin; and (ii) the sale of used spare parts at a relatively higher margin.

Other incomes

Our Group recognised other incomes of approximately HK$0.4 million and HK$17,000 in FY2016 and FY2017, respectively. The change was mainly due to the bad debt recovery of approximately HK$0.3 million in FY2016 while only a minimal amount of such income was recorded in FY2017.

Administrative expenses

Our administrative expenses increased by approximately HK$1.9 million or 32.5% from approximately HK$5.9 million in FY2016 to approximately HK$7.8 million in FY2017. The increase in administrative expenses was mainly due to higher professional fees, audit fees and Directors' emoluments.

Finance costs

Our finance costs increased by approximately HK$0.5 million or 251.6% from approximately HK$0.2 million in FY2016 to approximately HK$0.7 million in FY2017. The increase was in line with our increase in total debt (including finance lease payables) in FY2017.

Listing expenses

We recognised listing expenses of approximately HK$10.5 million in FY2017 (FY2016: approximately HK$3.4 million).

Income tax expenses

Our income tax expenses increased by approximately HK$0.4 million or 14.8% from approximately HK$2.4 million in FY2016 to approximately HK$2.8 million in FY2017. The increase in income tax expenses was in line with the increase in profit before income tax expenses and listing expenses. Our effective tax rates were approximately 20.3% and 49.9% in FY2016 and FY2017, respectively, which were both higher than the statutory tax rate of 16.5% in Hong Kong due to the non-tax deductible listing expenses incurred in both years.

Profit and total comprehensive income for the year

Our Group's profit and total comprehensive income decreased by approximately 70.6% from approximately HK$9.6 million in FY2016 to approximately HK$2.8 million in FY2017. The decrease was mainly due to the listing expenses of approximately HK$10.5 million incurred in FY2017. Without taking into account the listing expenses of approximately HK$10.5 million, our Group would have recorded net profit of approximately HK$13.3 million (FY2016: approximately HK$12.9 million).

Capital expenditure

Our Group's capital expenditures during FY2017 primarily comprised expenditures on plant and machinery, as well as furniture and equipment, amounting to a total of approximately HK$14.2 million (FY2016: approximately HK$4.0 million). The vast majority of the capital expenditures were used to purchase additional tower cranes, which accounted for approximately 83% of the total capital expenditure in FY2017 (FY2016: Nil).

Liquidity and capital resources

Our Group financed the operations through a combination of cash flow from operations, borrowings and finance leases. As at 31 March 2017, our Group had cash and cash equivalents of approximately HK$80.2 million (2016: approximately HK$19.9 million). The increase in cash and cash equivalents was mainly due to the issue of new shares upon listing of our Company's shares on GEM of the Stock Exchange on the Listing Date.

As at 31 March 2017, we had bank borrowings of approximately HK$10.7 million (2016: approximately HK$15.7 million) and finance lease payables of approximately HK$7.6 million (2016: Nil), which were all denominated in Hong Kong Dollars. 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 year and multiplied by 100%, stood at approximately 18.7% as at 31 March 2017 (2016: approximately 57.6%). 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 31 March 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$0.9 million as at 31 March 2017 (2016: approximately HK$2.0 million).

As at 31 March 2017, our Group did not have any significant capital commitments (2016: Nil).

Contingent liabilities

As at 31 March 2017, our Group had no material contingent liabilities (2016: 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.

Dividend

Our Board has resolved not to recommend the payment of a final dividend for FY2017 (FY2016: Nil).

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 during FY2017. Save for the business plan as disclosed in the Prospectus, there was no other plan for material investments or capital assets as at 31 March 2017.

Significant investments

As at 31 March 2017, our Group did not hold any significant investments.

Employees and remuneration policies

As at 31 March 2017, our Group employed 43 (2016: 41) full-time employees. Staff costs of our Group (including Directors' remuneration) were approximately HK$11.6 million in FY2017 (FY2016: approximately HK$10.9 million). The increase in staff costs was mainly due to the increases in Directors' remuneration, headcount and salary increment during FY2017. We determine the employees' remuneration based on factors such as qualification, responsibilities, contributions and years of experience. 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 the share option scheme to reward the participants for their contribution to our Group.

Purchase, sale or redemption of our Company's listed securities

During the period from the Listing Date to 31 March 2017 and thereafter up to the date of this announcement, our Company did not redeem any of its listed securities nor did the Company or any member of our Group purchase or sell such securities.

Comparison of business objectives with actual business progress

As the Listing Date (15 March 2017) is close to our year-end date (31 March 2017), our Group is in our preliminary stage of implementing our business objectives and strategies as disclosed in the Prospectus. 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 March 2017 is set out below:

Business objectives	**Actual progress**
Strengthen our market position in the suspended working platform industry	Purchase order had been sent in late March 2017 to purchase 200 motors and invoice of approximately HK$2.0 million was paid by our Group in May 2017.
Diversify our income stream and capture the market demand of rental services of tower crane	As the Listing Date is close to our year-end date, our Group's effort in respect of diversifying our income stream and capturing the market demand of rental services of tower crane is still ongoing. As at 31 March 2017, the planned amount had not been utilised and will be carried forward to the next six months ending 30 September 2017. We recruited a general technician to perform repairs and maintenance services in late March 2017.

Use of proceeds from the share offer

The shares of our Company were successfully 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 in our Company 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 crane; and (iii) approximately 7.6% of the net proceeds or approximately HK$4.1 million for general working capital.

As at 31 March 2017, our Group had already placed purchase order to purchase 200 units of motors and recruited a general technician in accordance with our plan as set out in the Prospectus; however, the respective amount of net proceeds has not yet been utilised for the reason mentioned above. Moreover, given the Listing Date is close to our year end date, our Group is still in the process of implementing our strategy in relation to our tower crane rental business and hence the respective amount of net proceeds has not yet been utilised. As at the date of this announcement, our Directors do not anticipate any change to the plan as to the use of proceeds.

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

Corporate Governance Practices

The Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") as its own code of corporate governance.

The Company has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 31 March 2017 save for the deviation from code provision A.2.1.

Code provision A.2.1 of 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. H.K. Tang is the chairman of our Board and the chief executive officer of the Company. In view of the fact that Mr. H.K. Tang is one of the co-founders of our Group and has been operating and managing our Group since its establishment in 1997, the Directors believe that the vesting of the roles of chairman and chief executive officer in Mr. H.K. Tang 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. H.K. Tang provides leadership to the Company and is responsible for strategic planning and the overall management and supervision of operations of our Group.

Closure of Register of Members

In order to ascertain shareholders' entitlements to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 15 August 2017 to Friday, 18 August 2017, both days inclusive, during which period no transfer of the Company's ordinary shares of HK$0.01 each will be registered. All transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration by no later than 4:30 p.m. on Monday, 14 August 2017.

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 Rule 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 system 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 audited consolidated financial statements of the Group for FY2017 and is of the view that the preparation of such statements complied 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, 19 June 2017

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. Tang Man Ho Michael.

This announcement will remain on the "Latest Company Announcements" 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.