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IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8446)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MAY 2017

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 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 In Technical Productions Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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.*

HIGHLIGHTS

- The Group recorded a record high revenue of approximately HK\$66.8 million for the year ended 31 May 2017, representing an increase of approximately HK\$26.0 million or 63.8% as compared with the year ended 31 May 2016.
- The gross profit of the Group for the year ended 31 May 2017 increased by approximately 88.3% to approximately HK\$33.9 million from HK\$18.0 million for the year ended 31 May 2016.
- The Group's loss was approximately HK\$0.7 million for the year ended 31 May 2017, representing a decrease of approximately HK\$7.6 million as compared with a profit of approximately HK\$6.9 million for the year ended 31 May 2016. The decrease was mainly due to the recognition of the Listing expenses of approximately HK\$17.6 million (2016: Nil) in connection with the Listing for the year ended 31 May 2017. Taking no account of the one-off Listing expenses, the Group's adjusted profit for the year ended 31 May 2017 would have been approximately HK\$16.9 million, representing an increase of approximately HK\$10.0 million or 144.4% as compared with the year ended 31 May 2016.
- The Board does not recommend the payment of dividend for the year ended 31 May 2017.

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 May 2017 together with the comparative audited figures for the year ended 31 May 2016, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 May

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue	4	66,820	40,805
Cost of services	6	<u>(32,908)</u>	<u>(22,842)</u>
Gross profit		33,912	17,963
Other income		371	53
Other gains, net		147	303
Administrative expenses	6		
— Professional service fees in respect of listing preparation		(17,598)	—
— Others		<u>(12,107)</u>	<u>(8,667)</u>
Operating profit		4,725	9,652
Finance income	8	4	1
Finance costs	8	<u>(1,794)</u>	<u>(1,070)</u>
Finance costs, net	8	<u>(1,790)</u>	<u>(1,069)</u>
Profit before income tax		2,935	8,583
Income tax expense	9	<u>(3,598)</u>	<u>(1,655)</u>
(Loss)/profit for the year		<u>(663)</u>	<u>6,928</u>
Attributable to:			
— Owners of the Company		(443)	7,059
— Non-controlling interests		<u>(220)</u>	<u>(131)</u>
		<u>(663)</u>	<u>6,928</u>
Other comprehensive income:			
<i>Item that may be subsequently reclassified to profit or loss</i>			
— Exchange difference on translation of foreign operations		<u>89</u>	<u>74</u>
Total comprehensive (loss)/income for the year		(574)	7,002
Attributable to:			
— Owners of the Company		(350)	7,118
— Non-controlling interests		<u>(224)</u>	<u>(116)</u>
		<u>(574)</u>	<u>7,002</u>
(Loss)/earnings per share attributable to the owners of the Company			
Basic and diluted (HK cents)	11	<u>(0.07)</u>	<u>1.18</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		64,708	39,784
Deposits	12	<u>233</u>	<u>778</u>
		64,941	40,562
Current assets			
Trade receivables	12	5,791	6,712
Prepayments, deposits and other receivables	12	12,004	880
Amount due from the immediate holding company	17	45	—
Amount due from a director	17	—	5,680
Pledged short-term bank deposits		2,995	—
Cash and bank balances		<u>17,008</u>	<u>2,585</u>
		37,843	15,857
Total assets		102,784	56,419
Equity			
Capital and reserves attributable to the owners of the Company			
Share capital	16	—	—
Reserves		<u>24,917</u>	<u>24,503</u>
		24,917	24,503
Non-controlling interests		<u>(304)</u>	<u>(80)</u>
Total equity		24,613	24,423

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Deferred tax liabilities		6,232	3,391
Obligations under finance leases		290	410
Other payables	<i>13</i>	8,220	—
Shareholder's loan	<i>14</i>	14,268	—
		<u>29,010</u>	<u>3,801</u>
Current liabilities			
Other payables and accrued liabilities	<i>13</i>	27,975	10,250
Amount due to a director	<i>17</i>	—	1,115
Bank borrowings	<i>15</i>	18,887	15,222
Obligations under finance leases		240	306
Taxation payable		2,059	1,302
		<u>49,161</u>	<u>28,195</u>
Total liabilities		<u>78,171</u>	<u>31,996</u>
Total equity and liabilities		<u>102,784</u>	<u>56,419</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 May 2017

1. GENERAL INFORMATION

1.1 Corporate information

In Technical Productions Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 November 2016 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and the other companies now comprising the group (together the “**Group**”) are principally engaged in the provision of visual display solution services for concerts and events in Hong Kong, Macau, the People’s Republic of China (the “**PRC**”) and Taiwan (the “**Business**”). Prior to the incorporation of the Company, the Business was conducted by In Technical Productions Limited (“**ITP (HK)**”) and its subsidiaries. ITP (HK) was owned by Mr. Yeung Ho Ting Dennis (“**Mr. Yeung**”), Mr. Chang Yu-shu (“**Mr. Chang**”) and UCP Co., Ltd. (“**UCP**”) as to 75%, 15% and 10%.

The shares of the Company (“**Shares**”) were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 14 June 2017 (the “**Listing**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

1.2 Reorganisation

In preparation for the initial public offering (“**IPO**”) and the Listing, the Company underwent a reorganisation (the “**Reorganisation**”) of the corporate structure of the companies now comprising the Group. The major steps undertaken to effect the Reorganisation are as follows:

- (a) On 4 November 2016, the Company was incorporated in the Cayman Islands as the holding company of the Group. Upon incorporation, one share of HK\$0.01, representing the entire issued share capital of the Company, was allotted and issued to Next Vision Management Limited (“**Next Vision**”), a company owned by Mr. Yeung, Mr. Chang and UCP as to 75%, 15% and 10%, respectively.
- (b) In Technical Productions (B.V.I.) Limited (“**ITP (BVI)**”) was incorporated in the British Virgin Islands (“**BVI**”) on 9 November 2016 as the intermediate holding company of the Group. Upon incorporation, one share of US\$1.00, representing the entire issued share capital of ITP (BVI), was allotted and issued to the Company.

- (c) On 24 November 2016, ITP (BVI) acquired 75%, 15% and 10% of the issued share capital of ITP (HK) from Mr. Yeung, Mr. Chang and UCP at a consideration of HK\$24,531,855.38, HK\$4,906,371.08 and HK\$3,270,914.05 respectively. Such consideration was satisfied by allotting and issuing 74 shares, 15 shares and 10 shares in ITP (BVI) to the Company, as directed by Mr. Yeung, Mr. Chang and UCP, respectively, on 24 November 2016. Upon completion of the acquisition, ITP (HK) became a wholly owned subsidiary of ITP (BVI).

Upon the completion of the Reorganisation, the Company became the holding company of other companies now comprising the Group.

2. BASIS OF PRESENTATION

Immediately prior to and after the Reorganisation, the Business had been and continues to be conducted through companies managed and controlled by Mr. Yeung. The Company has not been involved in any business prior to the Reorganisation. The Reorganisation is merely a reorganisation of the Business with no change in management and the controlling shareholders. The Group established resulting from the Reorganisation is regarded as a continuation of the Business and under common control of Mr. Yeung before and after the Reorganisation.

Accordingly, the consolidated financial statements of the Company is prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) 10, “Consolidated Financial Statements”, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), by using the carrying values of the Business for all periods presented, or since the respective dates of incorporation of the subsidiaries within the Group, whichever is the later.

Intercompany transactions, balances and unrealised profits or losses on transactions between group companies are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622). The consolidated financial statements have been prepared under the historical cost convention, except that investment in an insurance contract is stated at its cash surrender value.

As at 31 May 2017, the Group’s current liabilities exceeded its current assets by approximately HK\$11,318,000. Included in current liabilities were bank borrowings of approximately HK\$12,289,000 which are due for repayment after one year but have been classified as current liabilities as they are subject to a repayable on demand clause as at 31 May 2017. Upon the completion of the Listing after payment of Listing expenses, the Group had raised net Listing proceeds of approximately HK\$34,451,000 from the issuance of ordinary shares.

Management has prepared cash flow projections which cover a period of twelve months from the balance sheet date. Based on the Group’s cash flow projections and taking into account the proceeds raised from the Listing and the continued availability of banking facilities, the

directors are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from the balance sheet date. The directors believe that the Group will continue as a going concern and accordingly have prepared the consolidated financial statements on a going concern basis.

(b) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 June 2016:

HKAS 1 (Amendment)	Disclosure initiative
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation
Annual Improvements Project	Annual improvements 2012–2014 Cycle

The adoption of these amendments did not have any impact on the financial statements for the current year.

(c) New standards, amendments to existing standards and interpretations that have been issued but are not effective and have not been early adopted.

		Effective for annual periods beginning on or after
Amendment to HKAS 7	Disclosure initiative	1 January 2017
Amendment to HKAS 12	Recognition of deferred tax assets for unrealised losses	1 January 2017
HKFRS 2 (Amendment)	Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 4	Insurance contracts	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue from visual display solution services is recognised after each show or event of a project is performed, while revenue from equipment rental is recognised on a straight-line basis over the term of the lease.

An analysis of the Group's revenue for the reporting period is as follows:

	Year ended 31 May	
	2017	2016
	HK\$'000	HK\$'000
Revenue from visual display solution services	66,687	38,678
Equipment rental income	<u>133</u>	<u>2,127</u>
	<u>66,820</u>	<u>40,805</u>

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The chief operating decision-maker is identified as the executive directors of the Company. The executive directors review the Group's financial information mainly from a single business perspective as the Group is mainly engaged in the provision of visual display solution services.

The Group's revenue is attributable to the following geographical markets:

	2017	2016
	HK\$'000	HK\$'000
Hong Kong	27,568	20,597
PRC	33,005	10,668
Taiwan	3,275	6,275
Macau	1,735	3,250
Others	<u>1,237</u>	<u>15</u>
	<u>66,820</u>	<u>40,805</u>

Information about major customers

For the year ended 31 May 2017, there were 3 customers (2016: 4 customers) which individually contributed over 10% of the Group's total revenue. Revenue contributed from each of these customers is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Customer I	9,012	15,012
Customer II (<i>Note</i>)	961	4,889
Customer III	7,360	4,836
Customer IV	—	6,275
Customer V	<u>27,160</u>	<u>—</u>
	<u><u>44,493</u></u>	<u><u>31,012</u></u>

Note: Revenue from Customer II did not exceed 10% of total revenue during the year ended 31 May 2017. The amounts shown above are for comparative purpose only.

6. EXPENSES BY NATURE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Auditor's remuneration	1,100	300
Consultancy and technician fees	654	173
Cost of equipment and spare parts	1,028	3,692
Depreciation of property, plant and equipment	11,485	7,564
Employee benefit expenses	12,598	7,977
Equipment rental charges	1,372	943
Freight and logistics expenses	3,318	2,220
Legal and professional expenses	222	197
Sub-contracting charges	6,770	3,153
Travelling expenses	605	492
Operating lease rentals in respect of rental premises	1,819	1,813
Professional service fees in respect of listing preparation	17,598	—
Others	<u>4,044</u>	<u>2,985</u>
Total cost of services and administrative expenses	<u><u>62,613</u></u>	<u><u>31,509</u></u>

7. EMPLOYEE BENEFIT EXPENSES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Wages, salaries and allowances, excluding directors' emoluments	9,515	6,283
Directors' emoluments	1,473	1,018
Pension costs — contributions to defined contribution plans	<u>1,610</u>	<u>676</u>
	<u>12,598</u>	<u>7,977</u>

8. FINANCE COSTS, NET

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Bank interest income	4	1
Interest on bank borrowings	(1,001)	(1,046)
Finance charges on obligations under finance leases	(25)	(24)
Imputed interest on payables for equipment	(386)	—
Imputed interest on shareholder's loan	<u>(382)</u>	<u>—</u>
Finance costs	<u>(1,794)</u>	<u>(1,070)</u>
Finance costs, net	<u>(1,790)</u>	<u>(1,069)</u>

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the years ended 31 May 2017 and 2016. The companies in the Group established in the PRC are subject to the PRC enterprise income tax at the rate of 25% for the years ended 31 May 2017 and 2016.

Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The amounts of taxation charged to profit and loss represent:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current income tax:		
Hong Kong profits tax	757	966
Deferred income tax relating to origination and reversal of temporary differences	<u>2,841</u>	<u>689</u>
	<u>3,598</u>	<u>1,655</u>

10. DIVIDENDS

The directors of the Company do not recommend the payment of dividend for the year ended 31 May 2017 (2016: Nil).

11. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated based on the (loss)/profit attributable to equity holders of the Company and 600,000,000 Shares for the years ended 31 May 2017 and 2016, which have been adjusted retrospectively on the assumption that the Reorganisation and the allotment and issue of 599,999,999 Shares to Next Vision by way of capitalisation of an amount of approximately HK\$12,000,000 owed by ITP (HK) to Next Vision had been effective on 1 June 2015.

	2017	2016
(Loss)/profit attributable to owners of the Company (HK\$'000)	(443)	7,059
Weighted average number of ordinary shares in issue (thousand shares)	600,000	600,000
(Loss)/earnings per share (HK cents)	(0.07)	1.18

Diluted (loss)/earnings per Share were same as the basic (loss)/earnings per Share as there were no potential dilutive Shares in existence during the reporting period.

12. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables	5,791	6,712
Deferred listing expenses	4,906	—
Deposits for purchase of equipment	233	778
Other receivables, deposits and prepayments	<u>7,098</u>	<u>880</u>
	18,028	8,370
Less: non-current portion	<u>(233)</u>	<u>(778)</u>
Current portion	<u><u>17,795</u></u>	<u><u>7,592</u></u>

Other receivables, deposits and prepayments mainly include rental and utility deposits, advances to staff and deposits for equipment rental.

The deferred listing expenses are incurred in connection with the Listing and will be deducted from equity upon Listing.

The maximum exposure to credit risk at the year end date is the carrying amount of each class of receivables and deposits mentioned above.

The Group does not hold any collateral as security. The Group's trade receivables are settled by cash on delivery or credit period of around 30 to 90 days after provision of services. As at 31 May 2017 and 2016, an ageing analysis of the trade receivables based on invoice date is as follows:

	2017	2016
	HK\$'000	HK\$'000
0–30 days	1,903	3,386
31–60 days	1,789	1,220
61–90 days	1,357	265
Over 90 days	<u>742</u>	<u>1,841</u>
	<u>5,791</u>	<u>6,712</u>

As at 31 May 2017 and 2016 trade receivables of approximately HK\$742,000 and HK\$1,841,000, respectively, were past due but not impaired. These relates to a number of independent customers for whom there is no recent history of default.

The credit quality of trade and other receivables and deposits that are neither past due nor impaired has been assessed by reference to historical information about counterparty default rates. The existing counterparties do not have significant defaults in the past.

The carrying amounts of trade and other receivables approximate their fair values due to their short maturities.

13. OTHER PAYABLES AND ACCRUED LIABILITIES

	2017	2016
	HK\$'000	HK\$'000
Payables for equipment	17,534	6,287
Receipts in advance	1,391	—
Payables for professional service fees in respect of listing preparation	12,018	—
Other accruals and payables	<u>5,252</u>	<u>3,963</u>
	36,195	10,250
Less: non-current portion	<u>(8,220)</u>	<u>—</u>
Current portion	<u>27,975</u>	<u>10,250</u>

During the year ended 31 May 2017, the Group acquired certain visual display equipment amounted to US\$3,000,000 (equivalent to HK\$23,310,000). The Group has settled a balance of US\$1,230,000 (equivalent to HK\$9,561,569) during the year ended 31 May 2017 and the remaining balance of US\$1,770,000 (equivalent to HK\$13,748,431) will be repayable in 32 instalments by 2020. The carrying amount of this payable approximates its fair value. During the year ended 31 May 2017, imputed interest on payables for equipment is HK\$385,995.

As at 31 May 2017 and 2016, the Group's ageing analysis of the payables for equipment based on invoice date is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0–30 days	60	—
31–60 days	62	—
61–90 days	232	—
Over 90 days	<u>17,180</u>	<u>6,287</u>
	<u><u>17,534</u></u>	<u><u>6,287</u></u>

The carrying amounts of all short-term payables and accrued liabilities approximate their fair values.

14. SHAREHOLDER'S LOAN

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loan from a shareholder	<u><u>14,268</u></u>	<u><u>—</u></u>

On 30 November 2016, the Group issued a promissory note to its shareholder with principal amount of HK\$14,650,000. The loan was unsecured, interest-free and the shareholder confirmed that it would not demand for repayment within one year from the date of issuance of the promissory note. On the date of issuance, the Group credited an amount of HK\$763,744 to capital reserve which represented the difference between the fair value of the shareholder's loan and the amount received. Please also refer to Note 18 for the changes in shareholder's loan subsequent to date of issuance.

15. BANK BORROWINGS

As at 31 May 2017 and 2016, bank borrowings are repayable as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Bank loans, secured:		
Balances repayable within one year classified as current liabilities	6,598	5,460
Balances repayable after one year, with clause of repayable on demand classified as current liabilities	<u>12,289</u>	<u>9,762</u>
	<u><u>18,887</u></u>	<u><u>15,222</u></u>

The above bank loans bear interest ranging from 4.0% to 7.0% per annum for the year ended 31 May 2017, 4.0% to 7.7% per annum for the year ended 31 May 2016.

As at 31 May 2017 and 2016, the fair value of current bank borrowings equals their carrying amount as the impact of discounting is not significant.

As at 31 May 2017 and 2016, the Group's bank borrowings based on the scheduled repayment dates as set out in the loan agreements and ignoring the effect of any repayment on demand clause are repayable as follows:

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 year	6,598	5,460
Between 1 and 2 years	4,607	4,769
Between 2 and 5 years	7,682	4,993
	<u>18,887</u>	<u>15,222</u>

The bank borrowings are denominated in HK\$.

16. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares
		<i>HK\$</i>
<i>Authorised:</i>		
Ordinary shares of HK\$0.01 each as at 31 May 2017	<u>3,000,000,000</u>	<u>30,000,000</u>
<i>Issued and fully paid:</i>		
Ordinary share of HK\$0.01 on the date of incorporation and as at 31 May 2017	<u>1</u>	<u>0.01</u>

(a) Share capital

The Company was incorporated in the Cayman Islands on 4 November 2016 as a limited liability company with an authorised share capital of HK\$300,000 divided into 30,000,000 Shares. On the same date, one Share of HK\$0.01 was issued at par to Next Vision.

On 19 May 2017, the authorised share capital of the Company was changed to HK\$30,000,000 by the creation of an additional 2,970,000,000 shares of a par value of HK\$0.01 each.

(b) Share option scheme

The Company operates a share option scheme (the “**Scheme**”) for the purpose of retaining, incentivising, rewarding, remunerating, compensating and providing benefits to participants of the Scheme in order to encourage participants to work towards enhancing the value of the Company. Eligible participants of the Scheme include the Group's directors and employees, etc. The Scheme became effective on 19 May 2017. For the year ended 31 May 2017, no options have been granted.

17. MATERIAL RELATED PARTY TRANSACTIONS

(a) Balances with related parties

	Maximum amount outstanding during the year ended 31 May 2017 HK\$'000	Maximum amount outstanding during the year ended 31 May 2016 HK\$'000	As at 31 May 2017 HK\$'000	As at 31 May 2016 HK\$'000
Amount due from a director	<u>16,826</u>	<u>8,263</u>	<u>—</u>	<u>5,680</u>
Amount due from the immediate holding company	<u>45</u>	<u>—</u>	<u>45</u>	<u>—</u>
Amount due to a director			<u>—</u>	<u>(1,115)</u>

The amount due from the immediate holding company was unsecured, interest-free, repayable on demand and denominated in HK\$.

Balances with a director, Mr. Yeung, were unsecured, interest-free, repayable on demand and denominated in HK\$. These balances were settled during the year ended 31 May 2017.

(b) Personal guarantee provided by key management personnel

The obligations under bank borrowings and bank overdrafts of the Group as at 31 May 2017 were secured by personal guarantee by Mr. Yeung and a property owned by Mr. Yeung. On 14 June 2017, upon Listing and after the partial repayment of the outstanding borrowings, all securities and guarantees provided by Mr. Yeung, Mr. Chang, UCP and Next Vision and their close associates on the Group's remaining borrowings were released and replaced by corporate guarantees of the Company.

The obligations under bank borrowings and bank overdrafts of the Group as at 31 May 2016 were secured by personal guarantee by Mr. Yeung, life insurance policy and a property owned by Mr. Yeung.

(c) Compensation of key management personnel

Key management includes directors and other key management of the companies in the Group. The compensation paid or payable to key management for employee services is shown as below:

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Salary, bonus and benefit in kind	3,007	2,355
Retirement benefit scheme contribution	<u>184</u>	<u>68</u>
	<u>3,191</u>	<u>2,423</u>

18. EVENTS AFTER THE REPORTING PERIOD

On 14 June 2017, pursuant to the IPO, the Company issued a total 200,000,000 Shares at a price of HK\$0.30 per Share.

On 14 June 2017, upon Listing, the Company had capitalised an amount of approximately HK\$12,000,000 owed by ITP (HK) to Next Vision by issuing additional 599,999,999 Shares, credited as fully paid, to the then existing shareholders of the Company. The remaining balance of approximately HK\$2.7 million was repaid.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of visual display solution services.

During the year ended 31 May 2017, the Group was engaged in 343 pop concert shows for Hong Kong and non-Hong Kong artists/bands (2016: 298).

The Group derived approximately 85.2% of its total revenue during the year ended 31 May 2017 from pop concerts (2016: 80.9%), the majority of which took place in Hong Kong, the PRC, Taiwan and Macau. The remainder of the Group's revenue was attributable to other live events, including corporate events, exhibitions, sports and recreational events and other live performances, as well as equipment rental.

The shares of the Company (the “**Shares**”) have been listed (the “**Listing**”) on the GEM of the Stock Exchange by way of the offer of 200,000,000 new Shares (the “**Share Offer**”) since 14 June 2017 (the “**Listing Date**”). The proceeds from the Share Offer have strengthened the Group's cash flow position and enabled the Group to implement its future plans and business strategies as set out in the section headed “Statement of Business Objectives and Use of Proceeds” in the prospectus of the Company dated 31 May 2017 in relation to the Share Offer (the “**Prospectus**”).

Principal Risks and Uncertainties

The Board believes major risk factors relevant to the Group have been disclosed in the section headed “Risk Factors” in the Prospectus.

FINANCIAL REVIEW

Revenue

The Group generates revenue from providing (i) visual display solutions to its customers in relation to pop concert shows and various other live events; and (ii) equipment rental.

The following table sets out a breakdown of the Group's revenue by source of income during the year ended 31 May 2017 with the comparative figures for the year ended 31 May 2016:

	<u>Year ended 31 May 2017</u>		<u>Year ended 31 May 2016</u>	
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>
Visual display solutions	66,687	99.8	38,678	94.8
Equipment rental	133	0.2	2,127	5.2
Total	<u>66,820</u>	<u>100.0</u>	<u>40,805</u>	<u>100.0</u>

During the year ended 31 May 2017, the Group principally derived its revenue from the provision of visual display solutions, which accounted for approximately 99.8% of the Group's total revenue (2016: 94.8%). The Group's revenue increased from approximately HK\$40.8 million for the year ended 31 May 2016 to approximately HK\$66.8 million for the year ended 31 May 2017, representing an increase of approximately 63.8%.

Visual display solutions

The following table sets out a breakdown of the Group's revenue from visual display solutions during the year ended 31 May 2017 with the comparative figures for the year ended 31 May 2016. For the purpose of revenue breakdown presentation, other live events include corporate events, sports and recreation events, exhibitions and other live performances.

	<u>Year ended 31 May 2017</u>				<u>Year ended 31 May 2016</u>			
	No. of shows	Revenue (<i>HK\$'000</i>)	% of total revenue from visual display solutions	Average revenue per show (<i>HK\$'000</i>)	No. of shows	Revenue (<i>HK\$'000</i>)	% of total revenue from visual display solutions	Average revenue per show (<i>HK\$'000</i>)
Pop concerts	343	56,831	85.2	166	298	31,304	80.9	105
Other live events	292	9,856	14.8	34	235	7,374	19.1	31
Total revenue from visual display solutions	<u>635</u>	<u>66,687</u>	<u>100.0</u>	<u>105</u>	<u>533</u>	<u>38,678</u>	<u>100.0</u>	<u>73</u>

The increase in revenue from pop concerts was mainly attributable to (i) the increase in the number of pop concerts undertaken by the Group from 298 for the year ended 31 May 2016 to 343 for the year ended 31 May 2017 and (ii) the increase in the average revenue per show for pop concerts from approximately HK\$105,000 for the year ended 31 May 2016 to approximately HK\$166,000 for the year ended 31 May 2017 as a result of increase in the demand for higher quality and more complex visual display effect by the Group's customers.

The increase in revenue from other live events was mainly attributable to (i) the increase in the number of other live events undertaken by the Group from 235 for the year ended 31 May 2016 to 292 for the year ended 31 May 2017 and (ii) the increase in the average revenue per show for other live events from approximately HK\$31,000 for the year ended 31 May 2016 to approximately HK\$34,000 for the year ended 31 May 2017 because we undertook more large-scale corporate events for the year ended 31 May 2017.

Equipment rental

The Group occasionally rents out its equipment with a view to maximising the utilisation rate of the equipment. The revenue of the Group generated from equipment rental was approximately HK\$0.1 million and HK\$2.1 million, representing approximately 0.2% and 5.2% of its total revenue in the years ended 31 May 2017 and 2016, respectively.

Revenue analysis by geographical location

The following table sets out a breakdown of the number of shows and the revenue of the Group by geographical location during the year ended 31 May 2017 with comparative figures for the year ended 31 May 2016:

	<u>Year ended 31 May 2017</u>			<u>Year ended 31 May 2016</u>		
	<i>No. of shows</i>	<i>Revenue (HK\$'000)</i>	<i>% of total revenue</i>	<i>No. of shows</i>	<i>Revenue (HK\$'000)</i>	<i>% of total revenue</i>
Visual display solutions						
Hong Kong	447	27,435	41.1	362	18,655	45.7
PRC	154	33,005	49.4	112	10,483	25.7
Macau	15	1,735	2.6	31	3,250	8.0
Taiwan	15	3,275	4.9	26	6,275	15.4
Other	4	1,237	1.8	2	15	0.0
Subtotal	<u>635</u>	<u>66,687</u>	<u>99.8</u>	<u>533</u>	<u>38,678</u>	<u>94.8</u>
Equipment rental		<u>133</u>	<u>0.2</u>		<u>2,127</u>	<u>5.2</u>
Total		<u>66,820</u>	<u>100.0</u>		<u>40,805</u>	<u>100.0</u>

The following table sets out a breakdown of the revenue of the Group from pop concerts by geographical location during the year ended 31 May 2017 with comparative figures for the year ended 31 May 2016:

	Year ended 31 May 2017				Year ended 31 May 2016			
	No. of shows	Revenue (HK\$'000)	% of total revenue from pop concerts	Average revenue per show (HK\$'000)	No. of shows	Revenue (HK\$'000)	% of total revenue from pop concerts	Average revenue per show (HK\$'000)
Pop concerts								
Hong Kong	165	19,482	34.3	118	133	12,174	39.0	92
PRC	150	32,092	56.5	214	107	9,810	31.3	92
Macau	9	745	1.3	83	30	3,030	9.7	101
Taiwan	15	3,275	5.7	218	26	6,275	20.0	241
Other	4	1,237	2.2	309	2	15	0.0	8
Total revenue from pop concerts	343	56,831	100.0	166	298	31,304	100.0	105

During the year ended 31 May 2017, the Group provided services for a well-known Hong Kong artist for 80 shows of concert tour in Hong Kong, the PRC and other locations. Due to the significant amount of equipment (including some custom-made LED panels) used in that concert tour, the Group charged that customer with relatively higher service charges for each show in Hong Kong, the PRC and other locations. Therefore, the Group had a higher average revenue per show in Hong Kong, the PRC and other locations for the year ended 31 May 2017 as compared with the year ended 31 May 2016.

The following table sets out a breakdown of the revenue of the Group from other live events by geographical location during the year ended 31 May 2017 with comparative figures for the year ended 31 May 2016:

	Year ended 31 May 2017				Year ended 31 May 2016			
	No. of shows	Revenue (HK\$'000)	% of total revenue from other live events	Average revenue per show (HK\$'000)	No. of shows	Revenue (HK\$'000)	% of total revenue from other live events	Average revenue per show (HK\$'000)
Other live events								
Hong Kong	282	7,952	80.7	28	229	6,481	87.9	28
PRC	4	914	9.3	228	5	673	9.1	135
Macau	6	990	10.0	165	1	220	3.0	220
Total revenue from other live events	292	9,856	100.0	34	235	7,374	100.0	31

Cost of services

The following table sets out the components of the cost of services of the Group during the year ended 31 May 2017 with comparative figures for the year ended 31 May 2016:

	<u>Year ended 31 May 2017</u>		<u>Year ended 31 May 2016</u>	
		<i>% of total cost of services</i>		<i>% of total cost of services</i>
	<i>HK\$'000</i>		<i>HK\$'000</i>	
Depreciation	10,778	32.8	6,767	29.6
Direct labour costs	9,642	29.3	6,067	26.6
Subcontracting charges	6,770	20.5	3,153	13.8
Freight and logistics expenses	3,318	10.1	2,220	9.7
Cost of equipment and spare parts	1,028	3.1	3,692	16.1
Equipment rental charges	1,372	4.2	943	4.2
Total	<u>32,908</u>	<u>100.0</u>	<u>22,842</u>	<u>100.0</u>

Depreciation

Depreciation recognised under the cost of services of the Group is related to the depreciation expenses for the visual display equipment of the Group for the provision of its services. For the year ended 31 May 2017, depreciation of visual display equipment represented approximately 32.8% of total cost of services (2016: 29.6%).

Direct labour costs

Direct labour costs of the Group represent compensation and benefits provided to the Group's project managers, visual technicians, equipment development and maintenance staff and warehouse keepers employed by the Group. For the year ended 31 May 2017, direct labour costs represented approximately 29.3% of total cost of services (2016: 26.6%).

Subcontracting charges

Subcontracting charges of the Group primarily represent fees paid and payable to the human resource company which provided us with workers for installing and dismantling visual display equipment at pop concerts or other live events in Hong Kong, the PRC and Macau. For the year ended 31 May 2017, subcontracting charges represented approximately 20.5% of total cost of services (2016: 13.8%).

Freight and logistics expenses

Freight and logistics expenses of the Group primarily represent transportation expenses for delivering the Group's visual display equipment to or from its warehouses to the designated venues of pop concerts and other live events or between different sites of pop concerts and other live events. For the year ended 31 May 2017, freight and logistics expenses represented approximately 10.1% of total cost of services (2016: 9.7%).

Cost of equipment and spare parts

Cost of equipment and spare parts of the Group represents the expenses in relation to tools and consumables used for on-site installation and maintenance, or cost relating to the equipment that the customer opt to keep. For the year ended 31 May 2017, the cost of equipment and spare parts represented approximately 3.1% of total cost of services (2016: 16.1%). The higher percentage accounted for the year ended 31 May 2016 was mainly due to the incurred cost of equipment of approximately HK\$3.4 million for a concert tour held in Taiwan since the customer opted to keep the equipment upon completion of the concert tour.

Equipment rental charges

Equipment rental charges of the Group primarily represent rental charges for visual display equipment such as LED panels, projectors, video control units, and other equipment that was required for the pop concerts or other live events in Hong Kong, Macau and the PRC (i) where the Group's own relevant equipment was fully occupied at the particular time or (ii) for cost effectiveness reason in view of the logistics expenses. For the year ended 31 May 2017, equipment rental charges represented approximately 4.2% of total cost of services (2016: 4.2%).

Gross profit and gross profit margin

Gross profit of the Group for the year ended 31 May 2017 amounted to approximately HK\$33.9 million (2016: HK\$18.0 million), representing gross profit margin of approximately 50.8% (2016: 44.0%). The increase of the gross profit margin was mainly attributable to the higher utilisation of the visual display equipment of the Group.

Administrative expenses

The administrative expenses of the Group mainly include administrative staff costs, rent and rate, Listing expenses and others. The Group's administrative expenses increased by approximately 241.3% from approximately HK\$8.7 million for the year ended 31 May 2016 to approximately HK\$29.7 million for the year ended 31 May

2017, primarily due to the recognition of the Listing expenses approximately HK\$17.6 million incurred for the preparation of the Listing during the year ended 31 May 2017 (2016: Nil).

Finance costs, net

The finance costs of the Group mainly consist of interests on bank borrowings which were wholly repayable within five years, interest expenses on bank overdrafts, interest expenses on obligations under finance leases, imputed interest on payables for equipment and imputed interest on shareholder's loan. The Group's finance costs increased by approximately 63.6% from approximately HK\$1.1 million for the year ended 31 May 2016 to approximately HK\$1.8 million for the year ended 31 May 2017 which was mainly due to the recognition of the imputed interests on payables for equipment and shareholder's loan during the year.

Income tax expense

The Group is subject to income tax on an enterprise basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. During the years ended 31 May 2017 and 2016, all PRC subsidiaries of the Company were subject to an Enterprise Income Tax rate of 25.0%. The Hong Kong subsidiary of the Company was subject to Hong Kong profit tax at the rate of 16.5% on the estimated assessable profits during the years ended 31 May 2017 and 2016.

The effective income tax rate of the Group was 122.6% in the year ended 31 May 2017 (2016: 19.3%). The higher effective income tax rate for the year ended 31 May 2017 was primarily due to the one-off Listing expenses of HK\$17.6 million, which were not deductible for tax purposes.

(Loss)/profit for the year

As a result of the foregoing, the Group's loss was approximately HK\$0.7 million for the year ended 31 May 2017, representing a decrease of approximately HK\$7.6 million or 109.6% as compared with a profit of approximately HK\$6.9 million for the year ended 31 May 2016. The decrease was mainly due to the recognition of the Listing expenses of approximately HK\$17.6 million in connection with the Listing for the year ended 31 May 2017 (2016: Nil). Taking no account of the one-off Listing expenses, the Group's adjusted profit for the year ended 31 May 2017 would have been approximately HK\$16.9 million, representing an increase of approximately HK\$10.0 million or 144.4% as compared with the year ended 31 May 2016.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources, Liquidity and Capital Structure

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowing, overdrafts and finance leases. The Group recorded net current liabilities of approximately HK\$11.3 million as at 31 May 2017 (2016: HK\$12.3 million).

As at 31 May 2017, the Group's current liabilities exceeded its current assets by approximately HK\$11.3 million. Included in current liabilities were bank borrowings of approximately HK\$12.3 million which are due for repayment after one year but have been classified as current liabilities as they are subject to a repayable on demand clause as at 31 May 2017. Upon the completion of the Listing after payment of Listing expenses, the Group had raised net Listing proceeds of HK\$34.5 million from the issuance of ordinary shares.

As at 31 May 2017, the Group's current ratio was approximately 0.8 (2016: 0.6) and the Group's gearing ratio calculated based on the total debt at the end of the year divided by total equity at the end of the year was approximately 136.9% (2016: 69.8%). The increase of the Group's gearing ratio in the year ended 31 May 2017 was mainly due to additions of shareholder's loan and bank loans of approximately HK\$14.7 million and HK\$10.0 million, respectively.

As at 31 May 2017, the maximum limit of the banking facilities available to the Group was amounted to HK\$20.3 million. The bank borrowings were denominated in Hong Kong dollars, repayable within one year or on demand and interest-bearing from 4.0% to 7.0% per annum (2016: 4.0% to 7.7% per annum). As at 31 May 2017, all the bank borrowings were interest-bearing at floating rates of 4.0% to 7.0% per annum except a bank loan of approximately HK\$0.2 million was at fixed rate of 4.0% per annum.

The Group's financial position has been further enhanced by the proceeds from the Share Offer in June 2017.

As at 31 May 2017, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$24.9 million, comprising issued share capital and reserves.

The Shares were listed on the GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

FOREIGN CURRENCY EXPOSURE RISKS

The Group operates mainly in Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to certain purchases with United States dollars (“US\$”) and certain sales with Renminbi (“RMB”). Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the group entities’ functional currency. The Group however did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the year ended 31 May 2017.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 May 2017. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 31 May 2017, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed “Reorganisation” under the section headed “History, Reorganisation and Corporate Structure” in the Prospectus.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 May 2017, the Group did not have any material capital commitments or any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 May 2017, the Group’s pledged short-term bank deposits in the amount of HK\$3.0 million was pledged as security for the Group’s banking facilities.

USE OF PROCEEDS AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The net proceeds from the Share Offer was approximately HK\$34.5 million (after deduction of the underwriting commission and Listing related expenses). As the actual amount of the Listing expenses is higher than the estimated amount of the Listing expenses set out in the Prospectus, the actual net proceeds from the Share Offer was less than the estimated net proceeds of approximately HK\$35.5 million as set out in the Prospectus and the allotment results announcement dated 13 June 2017. Accordingly, the amount of proceeds allocated for use as general working capital is adjusted from HK\$1.7 million to HK\$0.7 million. The amount of net proceeds allocated to other uses as set out in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus will remain unchanged.

Given that the Share Offer was completed after 31 May 2017, the implementation plan as set out in the section headed “Statement of Business Objectives and Use of Proceeds” in the Prospectus will commence during the year ending 31 May 2018.

Up to the date of this announcement, HK\$0.8 million and HK\$4.8 million of the net proceeds from the Share Offer have been utilised for settlement of payable for visual display equipment purchased for use in concert tour for a well-known Hong Kong artist and repayment of bank borrowings respectively. The unutilised net proceeds of approximately HK\$28.9 million are deposited in a licensed bank in Hong Kong.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 May 2017, the Group engaged a total of 82 employees (2016: 31) including the Directors. For the year ended 31 May 2017, total staff costs amounted to approximately HK\$12.6 million (2016: approximately HK\$8.0 million). Remuneration (including employees’ benefits) is maintained at an attractive level and reviewed on a periodic basis. Employees’ salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group’s business performance.

EVENTS AFTER THE REPORTING PERIOD

On 14 June 2017, pursuant to the Share Offer, the Company issued a total 200,000,000 Shares at a price of HK\$0.30 per Share.

On 14 June 2017, upon Listing, the Company had capitalised an amount of approximately HK\$12,000,000 owed by ITP (HK) to Next Vision by issuing additional 599,999,999 Shares, credited as fully paid, to the then existing shareholders of the Company. The remaining balance of approximately HK\$2.7 million was repaid.

INTERESTS OF THE COMPLIANCE ADVISER

As at the date of this announcement, neither Shenwan Hongyuan Capital (H.K.) Limited, the compliance adviser of the Company, nor any of its directors, employees or close associates had any interests in the securities of the Company or any other companies of the Group (including option or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee on 19 May 2017 (“**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Kai Sing (Chairman), Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis.

The Audit Committee has reviewed this announcement and the audited consolidated results of the Group for the year ended 31 May 2017 and the effectiveness of internal control system.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 May 2017 as set out in the preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Directors confirm that during the period from the Listing Date to the date of this announcement, there has been no purchase, sale or redemption of the Company’s listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions during the period from the Listing Date to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 May 2017.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Scheme**") on 19 May 2017. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 May 2017.

CORPORATE GOVERNANCE

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. Except for the deviation from code provision A.2.1 of the CG Code (as defined below), the Company has complied with the code provisions set out in the CG Code (as defined below) contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") during the period from the Listing Date to the date of this announcement. 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. Yeung Ho Ting Dennis is the chairman and the chief executive officer of the Company. In view of Mr. Yeung's role in day-to-day operations and management of the Group since April 2009, the Board believes that it is in the best interest of the Group to have Mr. Yeung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance and the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (“AGM”) of the Company will be held on 7 November 2017, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain entitlements to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from 2 November 2017 to 7 November 2017, both days inclusive, during which no transfer of the Shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 1 November 2017.

COMMUNICATION WITH SHAREHOLDERS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates the shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports and communicates with the shareholders through annual general meetings and extraordinary general meetings. In compliance with the requirements of the GEM Listing Rules, the Company issued regular reports, announcements, circulars and notice of general meetings. Always updated with the latest information, the corporate website of the Company (www.intechproductions.com) has provided an effective communication platform to the public and the shareholders.

OUTLOOK

The Group always strives to improve its operation efficiency and profitability of its businesses. The Directors believe that the Group’s competitive strengths, including renowned reputation in the industry, strong capabilities for providing customised visual display solutions, wide variety of visual display equipment in large quantities, and experienced management with strong knowhow, have contributed to its success in the visual display solution industry.

The Board will also proactively seek potential business opportunities and explore the possibility to expand the application of the Group’s visual display solutions to industries other than live events industry that will broaden the sources of income of the Group and enhance value to the shareholders.

Looking forward, the Group will make steady progress in accordance with the plans formulated before its Listing and its actual operational conditions, so as to facilitate effective implementation of the business objectives of the Company and bring benefits from it.

APPRECIATION

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

By order of the Board
In Technical Productions Holdings Limited
Yeung Ho Ting Dennis
Chairman

Hong Kong, 22 August 2017

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yeung Ho Ting Dennis and Mr. Tam Chun Yu; one non-executive Director, namely, Mr. Law Wang Chak Waltery; and three independent non-executive Directors, namely, Mr. Li Kai Sing, Mr. Ma Tsz Chun and Ms. Loh Lai Ping Phillis.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk and, in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.intechproductions.com.