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IN TECHNICAL PRODUCTIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8446)

ANNOUNCEMENT OF FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 AUGUST 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.

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*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 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

	Three months ended 31 August		
	2017	2016	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
	(unaudited)	(unaudited)	
Revenue	17,149	11,187	+52.7%
Gross profit	8,372	4,764	+75.0%
Profit/(loss) for the period	2,829	(2,321)	—
Earnings/(loss) per share (HK Cents)	0.39	(0.38)	—

- The Group recorded an unaudited revenue of approximately HK\$17.1 million for the three months ended 31 August 2017, representing an increase of approximately 52.7% as compared with that for the corresponding period in 2016.
- The Group's unaudited profit was approximately HK\$2.8 million for the three months ended 31 August 2017, representing an increase of approximately HK\$5.1 million as compared with a loss of approximately HK\$2.3 million for the corresponding period in 2016. The increase was mainly due to (i) the increase of gross profit for the three months ended 31 August 2017 as compared with the gross profit for the three months ended 31 August 2016; and (ii) the recognition of the Listing expenses of approximately HK\$3.9 million for the three months ended 31 August 2016 (three months ended 31 August 2017: Nil). Taking no account of the one-off Listing expenses, the Group's adjusted profit for the three months ended 31 August 2016 would have been approximately HK\$1.6 million and the Group's profit for the three months ended 31 August 2017 would have increased by approximately HK\$1.2 million or approximately 75.0% as compared with the adjusted profit for the three months ended 31 August 2016.
- The Board does not recommend the payment of dividend for the three months ended 31 August 2017.

UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 AUGUST 2017

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated first quarter results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 August 2017 together with the comparative unaudited figures for the three months ended 31 August 2016, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 31 August	
	<i>Notes</i>	2017	2016
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4	17,149	11,187
Cost of services		<u>(8,777)</u>	<u>(6,423)</u>
Gross profit		8,372	4,764
Other income		126	54
Other gains, net		161	52
Administrative expenses			
— Professional service fees in respect of listing preparation		—	(3,963)
— Others		<u>(4,215)</u>	<u>(2,616)</u>
Operating profit/(loss)		4,444	(1,709)
Finance income		46	—
Finance costs		<u>(782)</u>	<u>(218)</u>
Finance costs, net		<u>(736)</u>	<u>(218)</u>
Profit/(loss) before income tax		3,708	(1,927)
Income tax expense	5	<u>(879)</u>	<u>(394)</u>
Profit/(loss) for the period		<u>2,829</u>	<u>(2,321)</u>
Attributable to:			
— Owners of the Company		2,988	(2,295)
— Non-controlling interests		<u>(159)</u>	<u>(26)</u>
		<u>2,829</u>	<u>(2,321)</u>
Other comprehensive income/(expense):			
<i>Item that may be subsequently reclassified to profit or loss</i>			
— Exchange gains/(losses) on translation of foreign operations		<u>44</u>	<u>(111)</u>
Total comprehensive income/(expense) for the period		2,873	(2,432)
Attributable to:			
— Owners of the Company		3,031	(2,401)
— Non-controlling interests		<u>(158)</u>	<u>(31)</u>
		<u>2,873</u>	<u>(2,432)</u>
Earnings/(loss) per share attributable to the owners of the Company			
Basic and diluted (HK cents)	7	<u>0.39</u>	<u>(0.38)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 August 2017

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Retained earnings			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 June 2016	—	—	10	71	24,422	24,503	(80)	24,423
Loss for the period	—	—	—	—	(2,295)	(2,295)	(26)	(2,321)
Other comprehensive expense:								
— Exchange losses on translation of foreign operations	—	—	—	(106)	—	(106)	(5)	(111)
Total comprehensive expense	—	—	—	(106)	(2,295)	(2,401)	(31)	(2,432)
Balance at 31 August 2016	—	—	10	(35)	22,127	22,102	(111)	21,991
Balance at 1 June 2017	—	—	774	164	23,979	24,917	(304)	24,613
Profit/(loss) for the period	—	—	—	—	2,988	2,988	(159)	2,829
Other comprehensive income:								
— Exchange gains on translation of foreign operations	—	—	—	43	—	43	1	44
Total comprehensive income/(expense)	—	—	—	43	2,988	3,031	(158)	2,873
Transactions with owners:								
— Capitalisation issue ^(Note 1)	6,000	6,000	—	—	—	12,000	—	12,000
— Issue of shares upon share offer ^(Note 2)	2,000	50,497	—	—	—	52,497	—	52,497
Balance at 31 August 2017	<u>8,000</u>	<u>56,497</u>	<u>774</u>	<u>207</u>	<u>26,967</u>	<u>92,445</u>	<u>(462)</u>	<u>91,983</u>

Note 1: On 14 June 2017, the Company capitalised an amount of approximately HK\$12,000,000 owed by In Technical Productions Limited (“ITP (HK)”) to Next Vision Management Limited (“Next Vision”) by issuing additional 599,999,999 shares, credited as fully paid, to the then existing shareholder of the Company.

Note 2: On 14 June 2017, the Company issued a total 200,000,000 shares at a price of HK\$0.30 per share.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 August 2017

1. GENERAL INFORMATION

1.1 Corporate information

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 shares of the Company (“**Shares**”) were listed on the GEM of the Stock Exchange on 14 June 2017 (the “**Listing**”).

The Company is an investment holding company. The Group is 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 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%, respectively.

The unaudited condensed 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, 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 ITP (HK) and its subsidiaries. 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 unaudited condensed 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.

The condensed consolidated financial statements have not been audited by the Company’s auditors, but have been reviewed by the audit committee of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited condensed 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 unaudited condensed 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.

(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 period.

(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:

	Three months ended 31 August	
	2017	2016
	HK\$'000	HK\$'000
Revenue from visual display solution services	17,141	11,149
Equipment rental income	<u>8</u>	<u>38</u>
	<u>17,149</u>	<u>11,187</u>

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the three months ended 31 August 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 three months ended 31 August 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:

	Three months ended 31 August	
	2017	2016
	HK\$'000	HK\$'000
Current income tax:		
Hong Kong profits tax	879	394
Deferred income tax relating to origination and reversal of temporary differences	<u>—</u>	<u>—</u>
	<u>879</u>	<u>394</u>

6. DIVIDENDS

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

7. EARNINGS/(LOSS) PER SHARE

For the three months ended 31 August 2017, the basic earnings per share is calculated based on (i) the profit attributable to owners of the Company and (ii) the weighted average number of ordinary shares issued during the period.

For the three months ended 31 August 2016, the basic loss per share is calculated based on the loss attributable to owners of the Company and 600,000,000 Shares, which have been adjusted retrospectively as if 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 2016.

	Three months ended 31 August	
	2017	2016
Profit/(loss) attributable to owners of the Company (HK\$'000)	2,988	(2,295)
Weighted average number of ordinary shares in issue (thousand shares)	771,739	600,000
Earnings/(loss) per share (HK cents)	0.39	(0.38)

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

During the three months ended 31 August 2017, the Group was engaged in 91 pop concert shows for Hong Kong and non-Hong Kong artists/bands (three months ended 31 August 2016: 64).

The Group derived approximately 93.6% of its total revenue during the three months ended 31 August 2017 from pop concerts (three months ended 31 August 2016: approximately 55.3%), the majority of which took place in Hong Kong, the PRC 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 have been listed 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**”).

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 three months ended 31 August 2017 with the comparative figures for the three months ended 31 August 2016:

	Three months ended 31 August 2017		Three months ended 31 August 2016	
	<i>HK\$'000</i>	<i>% of total revenue</i>	<i>HK\$'000</i>	<i>% of total revenue</i>
Visual display solutions	17,141	100.0	11,149	99.7
Equipment rental	8	—	38	0.3
Total	<u>17,149</u>	<u>100.0</u>	<u>11,187</u>	<u>100.0</u>

During the three months ended 31 August 2017, the Group principally derived its revenue from the provision of visual display solutions, which accounted for nearly 100.0% of the Group's total revenue (three months ended 31 August 2016: approximately 99.7%). The Group's revenue increased by approximately 52.7% from approximately HK\$11.2 million for the three months ended 31 August 2016 to approximately HK\$17.1 million for the three months ended 31 August 2017.

Visual display solutions

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

	Three months ended 31 August 2017				Three months ended 31 August 2016			
	No. of shows	Revenue (HK\$'000)	% of total revenue from visual display solutions	Average revenue per show (HK\$'000)	No. of shows	Revenue (HK\$'000)	% of total revenue from visual display solutions	Average revenue per show (HK\$'000)
Pop concerts	91	16,043	93.6	176	64	6,185	55.5	97
Other live events	62	1,098	6.4	18	80	4,964	44.5	62
Total revenue from visual display solutions	<u>153</u>	<u>17,141</u>	<u>100.0</u>	<u>112</u>	<u>144</u>	<u>11,149</u>	<u>100.0</u>	<u>77</u>

The increase in revenue from pop concerts was mainly attributable to (i) the increase in the number of pop concert shows undertaken by the Group from 64 for the three months ended 31 August 2016 to 91 for the three months ended 31 August 2017 and (ii) the increase in the average revenue per show for pop concerts from approximately HK\$97,000 for the three months ended 31 August 2016 to approximately HK\$176,000 for the three months ended 31 August 2017 as a result of increase in the demand for a larger amount of, higher quality and more complex visual display effect by the Group's customers.

The decrease in revenue from other live events was mainly attributable to (i) the decrease in the number of other live events undertaken by the Group from 80 for the three months ended 31 August 2016 to 62 for the three months ended 31 August 2017 and (ii) the decrease in the average revenue per show for other live events from approximately HK\$62,000 for the three months ended 31 August 2016 to

approximately HK\$18,000 for the three months ended 31 August 2017 because the Group undertook fewer large-scale corporate events in the PRC and Macau for the three months ended 31 August 2017.

Revenue analysis by geographical location

The following table sets out a breakdown of the revenue of the Group from pop concert shows by geographical location during the three months ended 31 August 2017 with comparative figures for the three months ended 31 August 2016:

	Three months ended 31 August 2017				Three months ended 31 August 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	45	3,865	24.1	86	33	3,156	51.0	96
PRC	37	9,727	60.6	263	23	2,449	39.6	106
Macau	7	2,291	14.3	327	2	100	1.6	50
Taiwan	—	—	—	—	5	330	5.4	66
Others	2	160	1.0	80	1	150	2.4	150
Total revenue from pop concerts	<u>91</u>	<u>16,043</u>	<u>100.0</u>	<u>176</u>	<u>64</u>	<u>6,185</u>	<u>100.0</u>	<u>97</u>

During the three months ended 31 August 2017, the Group provided services for a well-known Hong Kong artist for 12 shows (three months ended 31 August 2016: Nil) of concert tour in the PRC and 6 shows (three months ended 31 August 2016: Nil) in Macau. 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 high service charges for each show in the PRC and Macau. Therefore, the Group had a higher average revenue per show in the PRC and Macau for the three months ended 31 August 2017 as compared with the three months ended 31 August 2016.

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

	<u>Three months ended 31 August 2017</u>				<u>Three months ended 31 August 2016</u>			
	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	62	1,098	100.0	18	76	3,990	80.4	52
PRC	—	—	—	—	2	724	14.6	362
Macau	—	—	—	—	2	250	5.0	125
Total revenue from other live events	<u>62</u>	<u>1,098</u>	<u>100.0</u>	<u>18</u>	<u>80</u>	<u>4,964</u>	<u>100.0</u>	<u>62</u>

Gross profit and gross profit margin

Gross profit of the Group for the three months ended 31 August 2017 amounted to approximately HK\$8.4 million (three months ended 31 August 2016: approximately HK\$4.8 million), representing gross profit margin of approximately 48.8% (three months ended 31 August 2016: approximately 42.6%). The increase of the gross profit margin was mainly attributable to the higher rate of utilisation of the visual display equipment of the Group.

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 three months ended 31 August 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 profits tax at the rate of 16.5% on the estimated assessable profits during the three months ended 31 August 2017 and 2016, respectively.

The effective income tax rate of the Group was 23.7% for the three months ended 31 August 2017 (three months ended 31 August 2016: (20.4)%). The negative effective income tax rate for the three months ended 31 August 2016 was primarily due to the one-off Listing expenses of HK\$3.9 million, which were not deductible for tax purposes.

Profit/(loss) for the period

As a result of the foregoing, the Group's profit was approximately HK\$2.8 million for the three months ended 31 August 2017, representing an increase of approximately HK\$5.1 million as compared with a loss of approximately HK\$2.3 million for the three months ended 31 August 2016. The increase was mainly due to (i) the increase of gross profit for the three months ended 31 August 2017 as compared with the gross profit for the three months ended 31 August 2016; and (ii) the recognition of the Listing expenses of approximately HK\$3.9 million for the three months ended 31 August 2016 (three months ended 31 August 2017: Nil). Taking no account of the one-off Listing expenses, the Group's adjusted profit for the three months ended 31 August 2016 would have been approximately HK\$1.6 million and the Group's profit for the three months ended 31 August 2017 would have increased by approximately HK\$1.2 million or approximately 75.0% as compared with the adjusted profit for the three months ended 31 August 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 assets of approximately HK\$39.7 million as at 31 August 2017 (31 August 2016: net current liabilities of approximately HK\$20.6 million).

As at 31 August 2017, the Group's current ratio was approximately 2.3 (31 August 2016: approximately 0.5) and the Group's gearing ratio calculated based on the total debt at the end of the period divided by total equity at the end of the period was approximately 15.3% (31 August 2016: approximately 71.0%). The decrease of the Group's gearing ratio in the three months ended 31 August 2017 was mainly due to capitalisation of shareholder's loan and the net proceeds received from the Listing of approximately HK\$12.0 million and HK\$34.5 million, respectively.

As at 31 August 2017, the maximum limit of the banking facilities available to the Group amounted to HK\$15.0 million. The banking facilities were granted by two banks to a wholly-owned subsidiary of the Company, as borrower and the Company as guarantor. Of the aforesaid banking facilities, HK\$12.7 million was granted by a bank upon and subject to the conditions that (i) Mr. Yeung shall maintain his directorship in the Company and (ii) Mr. Yeung shall remain the major shareholder of the Company with shareholding interest, directly or indirectly, of not less than 51%; and the remaining HK\$2.3 million was granted by another bank upon and subject to the condition that Mr. Yeung, Mr. Chang and UCP Co., Ltd shall together remain the major shareholders of the Company with shareholding interest, directly or indirectly, of

not less than 51%. The bank borrowings were denominated in Hong Kong dollars, repayable within one year or on demand and interest-bearing at floating rates from 4.0% to 6.0% per annum (31 August 2016: 4.0% to 7.0% per annum).

As at 31 August 2017, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$92.0 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 three months ended 31 August 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 three months ended 31 August 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 period from the Listing Date to 31 August 2017, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 August 2017.

PLEDGE OF ASSETS

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

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

From the Listing Date to 31 August 2017, HK\$1.3 million, HK\$5.1 million and HK\$0.2 million of the net proceeds from the Share Offer have been utilised according to the section headed "Statement of Business Objectives and Use of Proceeds" in the Prospectus for settlement of payable for visual display equipment purchased for use in concert tour for a well-known Hong Kong artist, repayment of bank borrowings and financing working capital respectively. The unutilised net proceeds of approximately HK\$27.9 million are deposited in licensed banks in Hong Kong.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2017, the Group engaged a total of 79 employees (31 August 2016: 56) including the Directors. For the three months ended 31 August 2017, total staff costs amounted to approximately HK\$4.2 million (three months ended 31 August 2016: approximately HK\$1.9 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

As from 31 August 2017 to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

INTERESTS OF THE COMPLIANCE ADVISER

As at 31 August 2017, 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 in 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 unaudited condensed consolidated results of the Group for the three months ended 31 August 2017 and the effectiveness of internal control system.

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

The Directors confirm that during the period from the Listing Date to 31 August 2017, there has been no purchase, sale or redemption of the Company’s listed securities.

DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS

During the period from the Listing Date to the date of this announcement, the Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group from the Listing Date to the date of this announcement.

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 31 August 2017.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 August 2017, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

(i) Long positions in Shares and underlying Shares

Name of Director	Capacity/ Nature of interest	Number of Shares	Percentage of shareholding
Mr. Yeung	Interest in a controlled corporation (<i>Note 1</i>)	600,000,000 (<i>Note 1</i>)	75.0%

Note:

- Mr. Yeung beneficially owns 75% equity interest in Next Vision. By virtue of the SFO, Mr. Yeung was deemed to be interested in the Shares held by Next Vision.

(ii) Long Positions in the shares and underlying shares in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares	Percentage of shareholding
Mr. Yeung	Next Vision (<i>Note 1</i>)	Beneficial owner	7,500 (<i>Note 1</i>)	75%

Note:

- Next Vision held 75% of issued Shares and was therefore a holding company of the Company.

Save as disclosed above, as at 31 August 2017, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 31 August 2017, so far as it is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

(i) Long positions in Shares

Name of shareholder	Capacity/ Nature of interest	Number of Shares held/ Interested	Percentage of shareholding
Next Vision (<i>Note 1</i>)	Beneficial owner	600,000,000 (<i>Note 1</i>)	75.0%

Note:

1. Next Vision was beneficially owned by Mr. Yeung as to 75%. By virtue of the SFO, Mr. Yeung was deemed to be interested in Shares held by Next Vision.

Save as disclosed above, as at 31 August 2017, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares which were recorded in the register required to be kept under Section 336 of the SFO.

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 August 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 31 August 2017. 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 is both the chairman of the Board 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.

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

The Board will 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.

In the future, the Board believes that the Group will achieve another breakthrough in terms of its business performance by leveraging on its advantages, in particular with its wide variety of visual display equipment and innovative professional management with strong knowhow.

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

Hong Kong, 10 October 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.