Tak Lee Machinery Holdings Limited
德利機械控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8142)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 JANUARY 2019, DECLARATION OF INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (collectively the "**Directors**" or individually a "**Director**") of Tak Lee Machinery Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") 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.*

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2019

The board of Directors (the "**Board**") is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 31 January 2019, together with the comparative figures for the corresponding period in 2018.

The Group recorded an increase in profit attributable to owners of the Company for the six months ended 31 January 2019 by approximately 8.2% to approximately HK$18.5 million from approximately HK$17.1 million for the six months ended 31 January 2018.

The increase in the profit contribution was primarily attributed to the growth in the sales business of heavy equipment, which was driven by the strong market demand for those equipment for the six months ended 31 January 2019.

Earnings per share for the six months ended 31 January 2019 was HK1.85 cents per share, representing an increase of approximately 8.2% compared with HK1.71 cents per share for the same period in 2018.

The Board has resolved to declare an interim dividend of HK0.5 cent per ordinary share for the six months ended 31 January 2019, payable in cash on or about Wednesday, 17 April 2019 to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company (the "**Register of Members**") on Friday, 29 March 2019.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 January 2019

		Three months ended 31 January		Six months ended 31 January	
		2019	2018	**2019**	2018
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	4	**123,208**	112,198	**266,645**	203,080
Cost of sales		**(104,888)**	(93,498)	**(228,247)**	(172,083)
Gross profit		**18,320**	18,700	**38,398**	30,997
Other income and net gains		**107**	1,101	**722**	1,492
Administrative and other operating expenses		**(8,458)**	(6,097)	**(13,868)**	(10,771)
Profit from operations		**9,969**	13,704	**25,252**	21,718
Finance costs		**(907)**	(621)	**(1,697)**	(1,106)
Profit before tax		**9,062**	13,083	**23,555**	20,612
Income tax expense	5	**(2,728)**	(2,238)	**(5,044)**	(3,504)
Profit and total comprehensive income for the period attributable to owners of the Company	6	**6,334**	10,845	**18,511**	17,108
Earnings per share – Basic and diluted (HK cents per share)	7	**0.63**	1.08	**1.85**	1.71

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2019

	Note	**At 31 January 2019** *HK$'000* **(unaudited)**	At 31 July 2018 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment	8	**100,392**	79,157
Current assets			
Inventories		**204,784**	199,070
Trade receivables	9	**105,931**	93,427
Prepayments, deposits and other receivables		**41,471**	65,467
Bank and cash balances		**43,792**	45,253
		395,978	403,217
Current liabilities			
Trade payables	10	**7,011**	5,191
Other payables and accruals		**977**	4,645
Deposits receipt in advance		**13,829**	18,021
Finance lease payables	11	**–**	30
Current tax liabilities		**4,133**	2,831
Deferred tax liabilities		**13,998**	10,345
Bank borrowings		**105,829**	109,229
		145,777	150,292
Net current assets		**250,201**	252,925
Total assets less current liabilities		**350,593**	332,082
NET ASSETS		**350,593**	332,082
Capital and reserves			
Share capital		**10,000**	10,000
Retained earnings		**340,593**	322,082
TOTAL EQUITY		**350,593**	332,082

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2019

	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 August 2018 (audited)	10,000	92,661	2,620	226,801	332,082
Profit and total comprehensive income for the period	–	–	–	18,511	18,511
At 31 January 2019 (unaudited)	**10,000**	**92,661**	**2,620**	**245,312**	**350,593**
At 1 August 2017 (audited)	10,000	92,661	2,620	171,854	277,135
Profit and total comprehensive income for the period	–	–	–	17,108	17,108
At 31 January 2018 (unaudited)	10,000	92,661	2,620	188,962	294,243

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2019

	Six months ended 31 January	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash generated from/(used in) operating activities	**1,789**	(81,657)
Net cash generated from investing activities	**180**	9,433
Net cash generated from/(used in) financing activities	**(3,768)**	15,145
Effect of foreign exchange rate changes	**338**	(142)
Net decrease in cash and cash equivalents	**(1,461)**	(57,221)
Cash and cash equivalents at beginning of the period	**45,253**	116,222
Cash and cash equivalents at end of the period, represented by bank and cash balances	**43,792**	59,001

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands on 11 December 2015. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is D.D.111, Lot No. 117, Sheung Che Village, Pat Heung, Yuen Long, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the sales of heavy equipment and spare parts, leasing of heavy equipment and provision of maintenance and ancillary services in Hong Kong.

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Generous Way Limited, a company incorporated in the British Virgin Islands ("**BVI**").

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 31 January 2019 (the "**Interim Condensed Consolidated Financial Statements**") have been prepared in accordance with the Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those used in the annual financial statements of the Group for the year ended 31 July 2018, except for the accounting policy changes that are expected to be reflected in the annual financial statements of the Group for the year ended 31 July 2019. Details of any changes in accounting policies are set out in note 3.

The Group has not applied the new and revised HKFRSs which have been issued but are not yet effective. The Group is currently in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether they would have a material impact on the Group's results and financial position.

The Interim Condensed Consolidated Financial Statements have been prepared under the historical cost basis. The preparation of the Interim Condensed Consolidated Financial Statements in conformity with the HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The Interim Condensed Consolidated Financial Statements should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 July 2018.

The Interim Condensed Consolidated Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Board (the "**Audit Committee**").

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*

HKFRS 9, Financial Instruments

The Group has applied HKFRS 9 Financial Instruments for the first time in the current interim period. HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement*. HKFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and financial liabilities, decognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 August 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 August 2018. The difference between carrying amounts as at 31 July 2018 and the carrying amounts as at 1 August 2018, if any are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

Classification and measurement of financial assets and financial liabilities

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Under HKFRS 9, the classification for all of the Group's financial assets and financial liabilities measured at amortised cost remain the same. The carrying amounts for all financial assets and financial liabilities at 1 August 2018 have not been impacted by the initial application of HKFRS 9.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, contract assets and lease receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 *Leases*.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group considers that the expected credit loss model did not result in additional impairment on trade receivables as the estimated allowance under the expected credit loss model were not significantly different to the impairment losses previously recognised under HKAS 39 as at 1 August 2018.

HKFRS 15, Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations. HKFRS 15 applies to all contracts with customers except for leases within the scope of HKAS 17 *Leases*.

The Group has adopted the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 August 2018 and that comparatives will not be restated.

Based on the assessment completed to date, the Group has identified the following areas which are to be affected:

Timing of revenue recognition

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sales of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The new revenue standard does not have significant impact on how it recognises revenue from provision of maintenance and ancillary services.

For contracts with customers in which the sale of heavy equipment and spare parts is generally expected to be the only performance obligation, adoption of HKFRS 15 does have any impact on the Group's revenue or profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Except as described above, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in the Interim Condensed Consolidated Financial Statements.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Three months ended 31 January		**Six months ended 31 January**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
Sales of heavy equipment and spare parts	**105,945**	97,592	**237,827**	177,371
Lease of heavy equipment	**16,062**	12,537	**26,789**	21,814
Provision of maintenance and ancillary services	**1,201**	2,069	**2,029**	3,895
Total	**123,208**	112,198	**266,645**	203,080

Segment information

Management has determined the operating segments based on the reports reviewed by the Directors, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

Sales of heavy equipment and spare parts	– Trading of heavy equipment and spare parts in Hong Kong
Lease of heavy equipment	– Leasing of heavy equipment in Hong Kong
Provision of maintenance and ancillary services	– Providing maintenance and ancillary services in Hong Kong

Segment revenue is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss and other comprehensive income.

The Directors assess the performance of the operating segments based on a measure of segment results. Unallocated income, unallocated corporate expenses, finance costs, income tax expense and other major items that are isolated and non-recurring in nature are not included in segment results.

(i) Information about reportable segment profit or loss:

	Sales of heavy equipment and spare parts	Lease of heavy equipment	Maintenance and ancillary services	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
For the six months ended 31 January 2019					
Revenue from contracts with customers within the scope of HKFRS 15					
Disaggregated by timing of revenue recognition					
Point in time	**237,827**	**–**	**2,029**	**–**	**239,856**
Over time	**–**	**26,789**	**–**	**–**	**26,789**
External revenue	**237,827**	**26,789**	**2,029**	**–**	**266,645**
Segment results	**15,753**	**12,938**	**194**	**(5,330)**	**23,555**
For the six months ended 31 January 2018					
Revenue from contracts with customers within the scope of HKFRS 15					
Disaggregated by timing of revenue recognition					
Point in time	177,371	–	3,895	–	181,266
Over time	–	21,814	–	–	21,814
External revenue	177,371	21,814	3,895	–	203,080
Segment results	11,579	11,995	486	(3,448)	20,612

(ii) Geographical information

Since all of the Group's revenue was generated in Hong Kong and all of the Group's identifiable assets and liabilities were located in Hong Kong, no geographical information is presented.

5. INCOME TAX EXPENSE

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

	Three months ended 31 January		**Six months ended 31 January**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Current tax – Hong Kong				
Provision/(over-provision) for the period	**(941)**	492	**1,391**	1,128
Deferred tax	**3,669**	1,746	**3,653**	2,376
	2,728	2,238	**5,044**	3,504

The Company was incorporated in the Cayman Islands and TLMC Company Limited, a wholly-owned subsidiary of the Company, was incorporated in the BVI. Both companies are tax exempted as no business was carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI.

For the six months ended 31 January 2018, Hong Kong profits tax has been provided at a rate of 16.5% on the estimated assessable profits for the six months ended 31 January 2018. Upon the introduction of the two-tiered profits tax rates regime effective on 28 March 2018, the profits tax rate for the first HK$2 million of assessable profits will be lowered to 8.25% of qualifying corporations, and assessable profits above HK$2 million will continue to be subject to the rate of 16.5%. The two-tiered profits tax rates regime was applicable to one subsidiary of the Company while Hong Kong profits tax has been provided at a rate of 16.5% on the estimated assessable profits of other group companies for the six months ended 31 January 2019.

6. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging/(crediting) the following:

	Three months ended 31 January		**Six months ended 31 January**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Auditor's remuneration	**165**	125	**331**	250
Cost of inventories sold	**91,776**	81,089	**205,341**	149,202
Depreciation	**4,853**	3,097	**7,862**	5,181
Foreign exchange loss, net	**811**	533	**248**	555
Net gain on disposals of property, plant and equipment	**–**	–	**(522)**	(250)
Operating lease charges in respect of:				
– Director's quarters	**504**	504	**1,008**	1,008
– Office premises	**484**	198	**885**	396
	988	702	**1,893**	1,404
Reversal of allowance for inventories (included in cost of inventories sold) *(note)*	**(27)**	(810)	**(331)**	(810)
Staff costs (including Directors' emoluments)				
– Salaries, allowances and bonus	**7,170**	6,352	**12,784**	11,733
– Retirement benefit scheme contributions	**223**	192	**410**	374
– Quarters expenses	**510**	510	**1,028**	1,027
	7,903	7,054	**14,222**	13,134

note: Allowance for inventories is written back when the relevant inventory is sold.

7. **EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 31 January		Six months ended 31 January	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Earnings:				
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	**6,334**	10,845	**18,511**	17,108
	'000	*'000*	***'000***	*'000*
Number of shares:				
Weighted average number of ordinary shares for profit attributable to owners of the Company for the purpose of calculating basic earnings per share	**1,000,000**	1,000,000	**1,000,000**	1,000,000

Note:

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the six months ended 31 January 2019 of HK$18,511,000 (six months ended 31 January 2018: HK$17,108,000) and the weighted average 1,000,000,000 ordinary shares (six months ended 31 January 2018: 1,000,000,000 ordinary shares) in issue during the period.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares in issue during the six months ended 31 January 2018 and 2019.

8. **PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 31 January 2019, the Group acquired items of property, plant and equipment with cost of approximately HK$421,000 (six months ended 31 January 2018: HK$941,000). Items of property, plant and equipment with a net book value of approximately HK$79,000 (six months ended 31 January 2018: Nil) were disposed of during the six months ended 31 January 2019, resulting in a net gain on disposal of approximately HK$522,000 (six months ended 31 January 2018: approximately HK$250,000).

During the six months ended 31 January 2019, the Group reclassified some of the inventories to property, plant and equipment as machinery for lease when the relevant heavy equipment was leased to its customers. The value of heavy equipment reclassified amounted to approximately HK$94,633,000 (six months ended 31 January 2018: approximately HK$62,740,000).

During the six months ended 31 January 2019, the Group reclassified machinery for lease under property, plant and equipment to inventories held for sale at their carrying amounts of approximately HK$65,878,000 (six months ended 31 January 2018: approximately HK$45,767,000) when the machinery for lease ceased to be leased and became held for sale.

9. TRADE RECEIVABLES

	At 31 January 2019 *HK$'000* (unaudited)	At 31 July 2018 *HK$'000* (audited)
Trade receivables	**108,715**	96,211
Allowance for doubtful debts	**(2,784)**	(2,784)
	105,931	93,427

The Group's credit terms generally range from 30 to 90 days. Each customer has a maximum credit limit. For new customers, payment in advance or cash on delivery is normally required.

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	At 31 January 2019 *HK$'000* (unaudited)	At 31 July 2018 *HK$'000* (audited)
0 to 90 days	**60,400**	75,238
91 to 180 days	**27,478**	10,292
181 to 365 days	**16,879**	7,756
Over 1 year	**1,174**	141
	105,931	93,427

As at 31 January 2019, trade receivables of HK$74,164,000 (31 July 2018: HK$37,813,000) were past due but not impaired. These relate to trade receivables from a number of independent customers of whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	At 31 January 2019	At 31 July 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Up to 3 months	**36,831**	31,184
Over 3 to 6 months	**26,708**	4,673
Over 6 to 12 months	**9,853**	1,956
Over 1 year	**772**	–
	74,164	37,813

10. TRADE PAYABLES

The credit period on trade payable ranges from 0 to 30 days.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	At 31 January 2019	At 31 July 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 90 days	**5,826**	5,191
91 to 180 days	**685**	–
181 to 365 days	**500**	–
	7,011	5,191

11. FINANCE LEASE PAYABLES

As at 31 January 2019, the Group had obligations under finance leases payable as follows:

	At 31 January 2019 *HK$'000* **(unaudited)**	At 31 July 2018 *HK$'000* (audited)
Total minimum lease payments		
Within one year	**–**	30
Less: Future finance charges	**–**	–[(i)]
Present value of lease obligations	**–**	30
Present value of minimum lease payments		
Within one year	**–**	386

(i) Represent the amount less than HK$1,000.

It is the Group's policy to lease certain of its motor vehicles under finance leases.

12. INTERIM DIVIDEND

	Six months ended 31 January	
	2019	2018
	HK$'000	*HK$'000*
Interim dividend declared and paid after the interim period of HK0.5 cent per ordinary share (six months ended 31 January 2018: Nil)	**5,000**	–[(i)]

The interim dividend has not been recognised as a liability at the end of the reporting period.

13. COMMITMENTS

The operating lease commitments of the Group as lessee represented rentals payable by the Group for its office premises and a Director's quarters; and those as lessor represented rentals receivable by the Group for its earthmoving machinery and equipment. As at 31 January 2019, the Group's operating lease commitments as lessee and lessor amounted to approximately HK$1.9 million (31 July 2018: HK$3.1 million) and HK$0.4 million (31 July 2018: HK$2.6 million), respectively.

As at 31 January 2019, the Group did not have any material capital commitments (31 July 2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an earthmoving equipment sales and leasing service provider in Hong Kong with over 17 years of presence in the industry. The Group is principally engaged in (i) the sale of new and used earthmoving equipment and spare parts, (ii) the leasing of earthmoving equipment, and (iii) the provision of maintenance and ancillary services for earthmoving equipment users. The Group also offers some heavy equipment other than earthmoving equipment for sales and for leasing.

The Group recorded an increase in profit attributable to owners of the Company for the six months ended 31 January 2019 by approximately 8.2% to approximately HK$18.5 million from approximately HK$17.1 million for the six months ended 31 January 2018.

The increase in the profit contribution was primarily attributed to the growth in the sales business of heavy equipment, which was driven by the strong market demand for those equipment for the six months ended 31 January 2019.

Looking forward, the Group is confident about the outlook and the prospects for sales and leasing of heavy equipment. With the Hong Kong government setting aside approximately HK$79.1 billion on public expenditure on infrastructure as outlined in the 2019-20 Budget Speech, the implementation of the ten major infrastructure projects and the land enhancement strategy by reclamation and rock cavern development proposed by the Hong Kong government, and the commencement of several other large-scale infrastructure projects such as the Three Runway System of the Hong Kong International Airport, Tseung Kwan O-Lam Tin Tunnel, Route 6 Development, North East New Territories New Development Areas and the Tung Chung New Town Development Extension, the Group is expecting a stable growth in the heavy equipment industry in Hong Kong in the coming future. Hence, the Group believes that the demand for its heavy equipment will remain strong in the coming years. To capture opportunities, the Group is committed to the diversification of supplier base and product offering. For instance, during the six months ended 31 January 2019, the Group became an authorised dealer of Rotobec Inc. for the supply of *Rotobec* brand grapples and other earthmoving attachments in Hong Kong and Macau, and also the exclusive dealer for the supply of their Orange Peels product line in such territories. The Group will continue to identify suitable suppliers and products in pursuit of more dealerships or distributorships, which would further boost its competitive edge in the long run.

FINANCIAL REVIEW

Revenue

The Group recorded a significant increase in revenue for the six months ended 31 January 2019, by approximately 31.3% to approximately HK$266.6 million from approximately HK$203.1 million for the six months ended 31 January 2018. The increase was mainly attributable to the increases in sales of heavy equipment and spare parts of approximately HK$60.5 million and leasing income of approximately HK$5.0 million.

Cost of sales

The Group's cost of sales amounted to approximately HK$228.2 million for the six months ended 31 January 2019, representing an increase of approximately 32.6% (six months ended 31 January 2018: approximately HK$172.1 million). Cost of sales mainly comprised cost of machinery, equipment and spare parts, depreciation, freight and transportation costs, repairs and maintenance costs, and staff costs for operators, technicians and inspectors. The increase was mainly driven by the increase in revenue for the six months ended 31 January 2019 as well as the increases in depreciation and staff costs of operators and technicians.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 23.9% from approximately HK$31.0 million for the six months ended 31 January 2018 to approximately HK$38.4 million for the six months ended 31 January 2019, with gross profit margin at approximately 14.4% (six months ended 31 January 2018: approximately 15.3%). The increase in gross profit was mainly attributable to the increase in gross profit of the sales of heavy equipment and spare parts by approximately HK$6.6 million while the gross profit margin of such business line remained stable at approximately 10.2% for the six months ended 31 January 2019 (six months ended 31 January 2018: approximately 9.9%). The gross profit of the leasing and provision of maintenance and ancillary services remained stable for the six months ended 31 January 2019.

Other income

The Group recognised other incomes of approximately HK$1.5 million and approximately HK$0.7 million for the six months ended 31 January 2018 and 2019, respectively. The decrease was mainly due to the absence of reversal of allowance for trade receivables of approximately HK$0.8 million for the six months ended 31 January 2019.

Administrative and other operating expenses

The administrative expenses increased by approximately HK$3.1 million or approximately 28.7% from approximately HK$10.8 million for the six months ended 31 January 2018 to approximately HK$13.9 million for the six months ended 31 January 2019. The increase in administrative expenses was mainly attributable to the increases in marketing expenses of approximately HK$0.6 million, operating lease charges of approximately HK$0.5 million, staff costs (including Directors' emoluments) of approximately HK$0.7 million and net foreign exchange loss of approximately HK$0.3 million for the six months ended 31 January 2019, as a result of the expansion of office and workshop and the increase in number of sales and administrative staff.

Finance costs

The finance costs increased by approximately HK$0.6 million or approximately 54.5% from approximately HK$1.1 million for the six months ended 31 January 2018 to approximately HK$1.7 million for the six months ended 31 January 2019. The increase was in line with the increase in total debt (including finance lease payables) for the six months ended 31 January 2019 as compared to those of the same period last year.

Income tax expense

The income tax expense increased by approximately HK$1.5 million or approximately 42.9% for the six months ended 31 January 2019 compared with the same period last year. The increase was mainly due to an increase in deferred tax liabilities of approximately HK$1.3 million as a result of an increase in accelerated tax depreciation charge for the six months ended 31 January 2019.

Profit and total comprehensive income for the period

As a result of the foregoing, the Group's profit and total comprehensive income for the period increased by approximately 8.2% from approximately HK$17.1 million for the six months ended 31 January 2018 to approximately HK$18.5 million for the six months ended 31 January 2019 whereas the net profit margin of the Group decreased to approximately 6.9% for the six months ended 31 January 2019 as compared to approximately 8.4% for the six months ended 31 January 2018.

Liquidity and financial resources

The Group financed the operations primarily with cash flow from operations and bank borrowings. The current ratio (as calculated by dividing the total current assets by the total current liabilities) of the Group as at 31 January 2019 was approximately 2.72 (31 July 2018: approximately 2.68). As at 31 January 2019, the Group had bank and cash balances of approximately HK$43.8 million (31 July 2018: approximately HK$45.3 million). The decrease in cash and cash equivalents was mainly due to the increases in purchase of property, plant and equipment and the ready stock during the period.

As at 31 January 2019, the Group had bank borrowings of approximately HK$105.8 million (31 July 2018: approximately HK$109.2 million) and did not have any finance lease payables (31 July 2018: approximately HK$0.1 million). The gearing ratio, calculated based on the sum of the bank borrowings and finance lease payables divided by the total equity at the end of the period/year and multiplied by 100%, was approximately 30.2% as at 31 January 2019 (31 July 2018: approximately 32.9%). The Group's financial position is sound and strong. With available bank balances and cash and banking facilities, the Group has sufficient liquidity to satisfy the funding requirements.

Capital structure

The issued shares of the Company were initially listed on GEM of the Stock Exchange (the "**Listing**") on 27 July 2017 (the"**Listing Date**"). There has been no change in the Company's capital structure since the Listing. The capital structure of the Group consists of equity attributable to the owners of the Company, which comprises issued share capital and reserves. The Directors review the Group's capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will adjust its overall capital structure through the payment of dividends, issuance of new shares and inception or repayment of bank borrowings.

As at 31 January 2019, the Company's issued share capital amounted to HK$10,000,000 and there were a total of 1,000,000,000 issued ordinary shares with a nominal value of HK$0.01 each.

Foreign exchange exposure

The Group has certain exposure to foreign currency risk as most of the business transactions, assets and liabilities are principally denominated in Hong Kong dollar ("**HKD**"), Japanese Yen ("**JPY**"), Renminbi ("**RMB**"), Euro ("**EUR**") and US dollar ("**USD**"). There is a currency difference between the Group's revenue receipts (which are denominated in HKD) and some of the payments for purchases (which are denominated in JPY, RMB, EUR and USD). The Group currently does not have a foreign currency hedging policy. The Group will continue to monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Material acquisitions or disposals, significant investments, and plans for material investments or capital assets

During the six months ended 31 January 2019, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures. As at 31 January 2019, the Group did not have any significant investments or any other plans for material investments or capital assets.

Charges of assets and contingent liabilities

As at 31 January 2019, the Group did not have any charges on the Group's assets for its bank borrowings. Finance lease was secured by a legal charge over a motor vehicle of the Group.

As at 31 January 2019, the Group did not have any material contingent liabilities (31 July 2018: Nil).

Employees and remuneration policies

As at 31 January 2019, the Group employed 62 (31 July 2018: 55) full-time employees. The total staff costs (including Directors' remuneration) were approximately HK$14.2 million for the six months ended 31 January 2019 (six months ended 31 January 2018: approximately HK$13.1 million). The Group determines the employees' remuneration based on factors such as their performance, qualification, position, duty, contributions and years of experience, local market conditions and the Group's results. The remuneration policy is reviewed by the Board regularly and the remuneration package includes salary, allowances and bonus; and the Group also makes contributions to the mandatory provident fund schemes. The Company adopted a share option scheme on 30 June 2017 for the purpose of enabling the Company to grant options to, among others, the employees and directors of the Company and its subsidiaries. The Group also arranges technical trainings to its existing employees on the operations of its existing and newly introduced heavy vehicles and other heavy equipment provided by the manufacturers.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 January 2019, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were set out as follows:

Interests in the Company

Long position in the shares of the Company

Directors	Nature of interest	Number of ordinary shares held	Percentage of the Company's issued voting shares
Mr. Chow Luen Fat ("**Mr. Chow**")	Interest in a controlled corporation *(Note)*	750,000,000	75%
Ms. Cheng Ju Wen ("**Ms. Cheng**")	Interest in a controlled corporation *(Note)*	750,000,000	75%

Note: These shares are held by Generous Way Limited ("**Generous Way**"), which is beneficially owned as to 50% by Mr. Chow, the chairman of the Board, the chief executive officer of the Company and an executive Director and 50% by Ms. Cheng, the non-executive Director. Mr. Chow and Ms. Cheng are spouses. Under the SFO, each of Mr. Chow and Ms. Cheng is deemed to be interested in the same number of shares held by Generous Way.

Interests in associated corporation of the Company

Long position in the shares of the associated corporation

Directors	Name of associated corporation	Nature of interest	Number of ordinary shares held	Percentage of issued voting shares
Mr. Chow Luen Fat	Generous Way Limited	Beneficial owner	50	50%
Ms. Cheng Ju Wen	Generous Way Limited	Beneficial owner	50	50%

Save as disclosed above, as at 31 January 2019, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDER

As at 31 January 2019, so far as the Directors are aware, the following entity (other than the Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the shares of the Company

Name of shareholder	Nature of interest	Number of ordinary shares held	Percentage of the Company's issued voting shares
Generous Way Limited	Beneficial owner	750,000,000	75%

Save as disclosed above, as at 31 January 2019, the Directors were not aware of any persons who or entities which had interests or short positions in the shares or underlying shares of the Company, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

Code provision A.2.1 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chow Luen Fat ("**Mr. Chow**") is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Chow is one of the founders of the Group and has been operating and managing the Group since its establishment in 2001, all the other Directors believe that the vesting of the roles of chairman and chief executive officer in Mr. Chow is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as required by the said code provision.

Save for the deviation from code provision A.2.1 as mentioned above, the Board is satisfied that the Company had complied with all the code provisions of the CG Code during the six months ended 31 January 2019.

SHARE OPTION SCHEME

The share option scheme of the Company (the "**Share Option Scheme**") is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules. The Share Option Scheme was adopted on 30 June 2017. No share options were granted or agreed to be granted under the Share Option Scheme for the period from the date of its adoption to 31 January 2019 and up to the date of this announcement.

INTERESTS IN COMPETING BUSINESS

During the six months ended 31 January 2019, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Southwest Securities (HK) Capital Limited ("**Southwest Securities**") as its compliance adviser. As at 31 January 2019, as notified by Southwest Securities, save for the compliance adviser agreement entered into between the Company and Southwest Securities dated 4 July 2017, neither Southwest Securities nor any of its directors, employees or close associates had any interest in relation to the Company.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 January 2019.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend of HK0.5 cent per ordinary share for the six months ended 31 January 2019, payable in cash on or about Wednesday, 17 April 2019 to the Shareholders whose names appear on the Register of Members on Friday, 29 March 2019.

For the purpose of ascertaining the Shareholders' entitlement to the interim dividend, the Register of Members will be closed from Wednesday, 27 March 2019 to Friday, 29 March 2019, both days inclusive, during which period no transfer of shares shall be effected or registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 26 March 2019.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 17 July 2017 (the "**Prospectus**") with the Group's actual business progress for the period from the Listing Date to 31 January 2019 is set out below:

Business objectives	**Actual progress**
Strengthen supplier base and expand product portfolio in anticipation of the changing market conditions	During the year ended 31 July 2018, the Group became a non-exclusive distributor with a heavy equipment manufacturer for the supply of the Japanese *Airman* brand of diesel engine generators. During the six months ended 31 January 2019, the Group became an authorised dealer of Rotobec Inc. for the supply of *Rotobec* brand grapples and other earthmoving attachments in Hong Kong and Macau, and also the exclusive dealer for the supply of their Orange Peels product line in such territories. The Group used approximately HK$7.4 million to purchase 9 units of heavy vehicles as ready stock.
Enhance and expand the leasing and maintenance and ancillary services	The Group used approximately HK$57.0 million to purchase 49 units of heavy equipment to expand the leasing fleet.
Expand and improve the workshop and facilities	The Group had purchased 3 sites located in Yuen Long, New Territories, Hong Kong to expand its workshop for maintaining and repairing its equipment and had conducted some improvement works at its existing and new sites.
Accelerate the development of its own-brand earthmoving equipment	
– For enhancement and improvement of the heavy equipment	– The Group continued to exchange the customers requirements regarding the *TLMC* brand earthmoving attachment with its manufacturer.
– For the marketing and promotion of its brand through advertisement and public relations activities	– The Group had promoted its brand through advertisements in construction news magazine.
Recruiting talents to capture more business opportunities	The Group has used approximately HK$3.1 million for recruitment, strengthening of staff training and technical exchange of technicians with its suppliers.

USE OF PROCEEDS

The net proceeds from the Listing, after deducting the listing-related expenses, were approximately HK$99.0 million (based on the final offer price of HK$0.44 per offer share), which were different from the estimated net proceeds of HK$79.6 million (based on an offer price of HK$0.36 per offer share (being the mid-point of the offer price range between HK$0.28 to HK$0.44 per share)) as disclosed in the Prospectus. The difference of the HK$19.4 million has been adjusted in the same manner and in the same proportion to the use of proceeds as shown in the Prospectus.

The Company intends to apply the net proceeds raised from the Listing by way of public offer and placing as to (i) approximately 65.0% of the net proceeds or approximately HK$64.4 million for the procurement of heavy equipment; (ii) approximately 14.3% of the net proceeds or approximately HK$14.2 million for the enhancement and expansion of the Group's existing facilities; (iii) approximately 5.3% of the net proceeds or approximately HK$5.2 million for the development of the Group's *TLMC* brand heavy equipment; (iv) approximately 5.4% of the net proceeds or approximately HK$5.3 million for recruitment and training of the Group's staff; and (v) approximately 10.0% of the net proceeds or approximately HK$9.9 million for general working capital.

	Proposed amount to be used up to 31 January 2019 *HK$ (million)*	**Approximate actual amount utilised as at 31 January 2019** *HK$ (million)*	**Unutilised amount out of the proposed amount as at 31 January 2019** *HK$ (million)*
Procurement of heavy equipment	64.4	64.4	0.0
Enhancement and expansion of existing facilities	14.2	14.0	0.2
Development of *TLMC* brand heavy equipment	3.0	3.0	0.0
Recruitment and training staff	3.1	3.1	0.0

As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of proceeds.

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its required standard for Directors' dealing in the securities of the Company. Following a specific enquiry made by the Company on each of the Directors, each Director has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31 January 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties. All the risks relating to the Group's business have been set out in the section headed "Risk Factors" in the Prospectus.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any important event affecting the Group, which have occurred subsequent to 31 January 2019 and up to the date of this announcement.

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Law Tze Lun, Mr. Kwok Siu Man and Dr. Wong Man Hin Raymond. Mr. Law Tze Lun is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited Interim Condensed Consolidated Financial Statements and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board
Tak Lee Machinery Holdings Limited
Chow Luen Fat
Chairman and Chief Executive Officer

Hong Kong, 9 March 2019

As at the date of this announcement, the executive Directors are Mr. Chow Luen Fat (chairman and chief executive officer), Ms. Liu Shuk Yee and Ms. Ng Wai Ying; the non-executive Director is Ms. Cheng Ju Wen; and the independent non-executive Directors are Mr. Kwok Siu Man, Mr. Law Tze Lun and Dr. Wong Man Hin Raymond.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication. This announcement will also be published on the Company's website at www.tlmc-hk.com.