

WORLD SUPER HOLDINGS LIMITED

維亮控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8612



2021

Interim Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Director(s)”) of World Super 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.



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FINANCIAL HIGHLIGHTS

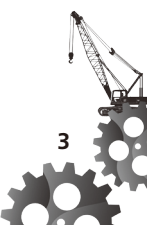
The board (the "Board") of directors (the "Directors") of World Super Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2021, together with the comparative figures for the corresponding period in 2020 as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	Change %
Revenue	152,154,340	43,332,997	251.1%
Gross profit	10,182,025	15,190,891	(33.0)%
(Loss)/profit for the period	(4,428,252)	3,191,822	N/A
(Loss)/profit for the period (excluding gain or loss on disposal of plant and equipment)	(2,907,450)	3,191,822	N/A

The Group's revenue for the six months ended 30 June 2021 amounted to approximately HK\$152.2 million, representing an increase of approximately 251.1% as compared with that of the corresponding period in previous year.

The Group turned to net loss of approximately HK\$4.4 million for the six months ended 30 June 2021 from the net profit of approximately HK\$ 3.2 million for the six months ended 30 June 2020.





MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Business Review

The Group mainly undertakes (i) provision of rental services of crawler cranes, oscillators, a kind of board piling machine working with drill-string to drill through the hard rock to the designated depth (the “RCD”) and hydromill trench cutters for construction projects mainly in Hong Kong and/or Macau; (ii) trading of new or used crawler cranes, RCDs, trench cutters, oscillators and/or related spare parts to customers in Hong Kong, Macau and Philippines; (iii) to a lesser extent, provision of transportation services in delivering the Group’s machinery to and from customers’ designated sites and other services such as arrangement of set-up and repair of machinery for customers of our plant hire service, arrangement of insurance for customers of the Group’s plant hire service for projects outside Hong Kong and marketing of construction machinery for the Group’s machinery suppliers; (iv) provision of construction works which included foundation works and ancillary services; (v) developing and operating electronic and household products trading platform and trading of electronic and household products; and (vi) provision of money lending services.

Plant hire

Our plant hire service mainly involves rental of crawler cranes, casing oscillators, RCDs and hydromill trench cutter to customers for the use in their construction projects. We source new construction machinery for our plant hire service mainly from German, Korean and Austrian manufacturers or their affiliates in Hong Kong, while our used construction machinery is sourced from local or overseas traders in countries such as China, Korea and Singapore. We also lease certain construction machinery from other construction machinery service providers for subleasing to our customers.

The plant hire income decreased from approximately HK\$24.2 million for the six months ended 30 June 2020 to approximately HK\$16.7 million for the six months ended 30 June 2021. The decrease is due to the decrease in demand for sub-leasing of machinery.

General sales from trading of machinery, tools and parts

Our trading of construction machinery, tools and parts mainly involves sales of new or used crawler cranes, RCDs, trench cutters, casing oscillators and/or related spare parts, tools, or oil and lubricant to customers. In case the construction machinery or spare part required by our customers is not available in our rental fleet, or our customers request for new construction machinery, we will seek and check with our suppliers and acquire relevant construction machinery or spare part (if available) for our customers.

The general sales decreased from approximately HK\$16.1 million for the six months ended 30 June 2020 to approximately HK\$28,000 for the six months ended 30 June 2021. The decrease is mainly due to the decrease in trading of tools and parts.

Provision of transportation and other services

We provide transportation services in delivering our machinery to and from customers’ designated sites and other services such as set-up and repair of machinery for customers of our plant hire service, arrangement of insurance for customers of our plant hire service for projects outside Hong Kong and marketing of construction machinery for our machinery suppliers.

The transportation and other services income decreased from approximately HK\$3.0 million for the six months ended 30 June 2020 to approximately HK\$26,000 for the six months ended 30 June 2021. The decrease is mainly due to less transportation service fees charged to customers.

Foundation works and ancillary services

In April 2020, the Group established a wholly-owned subsidiary, namely Richmax Construction Engineering Limited (“Richmax”) which was incorporated in Hong Kong with limited liability. Richmax is a foundation contractor, principally engaged in (i) provision of construction works which included foundation works and ancillary services; and (ii) specialising in board piling works.

During the six months ended 30 June 2021, no revenue was generated from the foundation works and ancillary services business (six months ended 30 June 2020: HK\$Nil).

E-commerce trading platform and trading of electronic and household products

In August 2020, the Group established a wholly-owned subsidiary, namely Yummy Network Technology Company Limited (“Yummy Network”) which was incorporated in Hong Kong with limited liability. Yummy Network is principally engaged in internet trading platform development which starts up by including electronic and household products e-commerce trading sales, maintenance of information system, and development of trading network in Hong Kong and China.

During the six months ended 30 June 2021, the revenue from trading of electronic and household products was approximately HK\$135.4 million (six months ended 30 June 2020: HK\$Nil) under the continuously growing demand of electronic and household products.

Money Lending

In September 2020, World Super Capital Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, obtained a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group believes that the money lending business would extend the scope of the Group’s existing business and diversify its business segment with a view to broaden the Group’s revenue streams, enhance its profitability and achieve better return for the shareholders.

During the six months ended 30 June 2021, no revenue was generated from the money lending business (six months ended 30 June 2020: HK\$Nil).

Prospects

The COVID-19 pandemic which has been unfolding for more than one year continues to hamper domestic and global economy. The pandemic did not bring a catastrophic impact on the construction industry, yet it has presented challenges to the operating environment of the Group. Also, the business activities of the Group customers and overseas suppliers have been disrupted. The Group will continue to respond to the changing market environment. The COVID-19 pandemic has forced people to stay at home which accelerates the growth of e-commerce with increasing retail sales conducted via e-platform due to the wide spread of social commerce apps which promote the sales with livestreaming and short-video favoured by young generation. The Group sees the strong growth opportunities in the e-commerce trading platform and trading of electronic and household products business. The Group also expects to deploy more resource on trading of electronic and household products business in China and continues to identify co-operation and/or investment opportunities in this sector to grow along with the expansion of China’s e-commerce market. The Group believes the new businesses can benefit the long-term development of the Group and reduce its reliance upon the existing business. The Group will continue to widen its clientele and source of income to generate fruitful returns for its shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Revenue

The Group's revenue includes plant hire income from leasing of construction machinery, income from goods sold and services provided.

The Group's revenue increased from approximately HK\$43.3 million for the six months ended 30 June 2020 to approximately HK\$152.2 million for the six months ended 30 June 2021, representing an increase of approximately 251.1% which mainly due to the increase in general sales from trading of electronic and household products segment. The Group established this segment in August 2020.

Cost of sales and services

Cost of sales and services mainly include product purchases, machinery rent paid and depreciation on plant and machinery. For the six months ended 30 June 2021, the Group's cost of sales and services amount to approximately HK\$142.0 million (six months ended 30 June 2020: approximately HK\$28.1 million). The increase in cost of sales and services was mainly due to the increase in product purchase which is in line with the increase in the general sales from trading of electronic and household products.

Net other (Expenses)/Income

Net other (expenses)/income mainly represents the gain/(loss) on disposal of plant and equipment, bank interest income and net exchange gain/(loss). The Group turned to net other expense of approximately HK\$1.5 million for the six months ended 30 June 2021 from net other income of approximately HK\$0.1 million for the six months ended 30 June 2020, which was mainly due to the increase in the loss on disposal of plant and equipment to approximately HK\$1.5 million for the six months ended 30 June 2021 from HK\$Nil for the six months ended 30 June 2020.

Administrative Expenses

Administrative expenses mainly include staff costs, depreciation on right of use assets and listing-related expenses. For the six months ended 30 June 2021, the Group's administrative expenses amounted to approximately HK\$8.8 million (six months ended 30 June 2020: approximately HK\$6.4 million). The increment is mainly due to the increase in (i) the short term operating lease rentals in respects of rental premises and (ii) staff cost.

Taxation

The Group recorded income tax expenses of approximately HK\$0.5 million and HK\$1.3 million for the six months ended 30 June 2021 and 2020 respectively, decrease is mainly because of the decrease in taxable profit for the six months ended 30 June 2021.

There is no Macau tax implication during both periods. Macau segment result is included in Hong Kong tax implication during both periods.

Profit for the Period

The Group turned to net loss of approximately HK\$4.4 million for the six months ended 30 June 2021 from the net profit of approximately HK\$3.2 million for the six months ended 30 June 2020, which is mainly due to (i) the decrease in gross profit due to (a) the decrease in the general sales from trading of machinery, tools and parts of approximately HK\$16.1 million and (b) the decrease in the plant hire income from sub-leasing of machinery of approximately HK\$7.4 million; (ii) the increase in net other expenses mainly due to the increase in the loss on disposal of plant and equipment of approximately HK\$1.5 million; and (iii) increase in administrative expenses of approximately HK\$2.4 million mainly due to the increase in (a) the short term operating lease rentals in respects of rental premises and (b) staff cost.

Liquidity and Financial Resources

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings and internally generated cash flow.

As at 30 June 2021, the Group had bank balances and cash of approximately HK\$2.8 million (31 December 2020: approximately HK\$2.3 million) and pledged bank deposits of approximately HK\$2.9 million (31 December 2020: approximately HK\$2.9 million). The increase in bank balance and cash was mainly due to increase in proceeds from disposal of plant and equipment.

The interest-bearing loans of the Group as at 30 June 2021 was approximately HK\$38.6 million (31 December 2020: approximately HK\$40.1 million).

The gearing ratio is calculated based on the amount of total interest bearing loans divided by total equity. The gearing ratio of the Group as at 30 June 2021 was approximately 32.4% (31 December 2020: approximately 32.5%).

Significant Investments Held

During the six months ended 30 June 2021, there was no significant investment held by the Group.

Pledge of Assets

The Group's plant and machinery with aggregate carrying amounts of approximately HK\$51.0 million and HK\$37.8 million; motor vehicles with an aggregate net book value of approximately HK\$0.1 million and HK\$0.2 million and trade receivable with carrying amounts of approximately HK\$Nil and HK\$19.5 million as at 30 June 2021 and 31 December 2020, respectively, were pledged under finance leases and bank borrowings.

As at 30 June 2021, the Group has pledged bank deposit of approximately HK\$2.9 million (31 December 2020: approximately HK\$2.9 million) to secure the bank facilities granted to the Group. Save for the above disclosed, the Group did not have any charges on its assets.



MANAGEMENT DISCUSSION AND ANALYSIS

Risk Management

The Group was primarily exposed to (i) operational risks in relation to its business; (ii) credit risks relating to accounts receivable; and (iii) market risks.

Operational risk management

Chief operating officer of the Group is responsible for monitoring our operations and assessing the operational risks. He will report any irregularities in connection with our operations to our Directors and seek for directions.

The Group emphasises on ethical value and prevention of fraud and corrupt practice. The Group has established whistleblower programme in the operation manual, including methodologies to report any irregularities and confidentiality.

Credit risk management

The Group is exposed to credit risks in relation to the collectability of our trade receivables, which will cause a financial loss to the Group due to failure to discharge the payment obligation by the counterparties. Our commercial and administration department manages the settlement of account receivables, including the follow up of outstanding payments and reconciliation of relevant receivables with customers on regular basis to understand if any bad debt provision is necessary. Our commercial and administration department will follow up in writing with account receivables past due over 90 days.

Our accounting and human resources department reviews account receivables and relevant credit terms as well as monitors receivables aging on monthly basis. For past due account receivables, our accounting and human resources department will notify the commercial and administration department to communicate with relevant customers. Our accounting and human resources department conducts assessment by performing account receivables aging analysis on quarterly basis and report to our Directors for approval on any bad debt provisions. Our commercial and administration department will continue to follow up with relevant customers for settlement of the outstanding payments.

Market risk management

The Group is exposed to general market risks related to changes in macroeconomic environment and movements in market variables such as gross domestic product, interest rates, and other market changes. Our Directors are responsible for monitoring activities in the market to identify and assess the potential risks and from time to time formulate policies to mitigate these market risks.

Foreign exchange risk

The Group mainly operates in Hong Kong and Macau and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and United States dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the period.

Capital Commitments

As at 30 June 2021, the Group did not have any significant capital commitments (31 December 2020: HK\$Nil).

Capital Structure

There has been no change in the capital structure of the Company during the six months ended 30 June 2021. The capital structure of the Company comprises of equity interest attributable to the owners of the Company (including issued share capital and reserves). The Directors regularly review the capital structure of the Company. As part of the review, the Directors consider the cost of capital and the associated risks of various types of capital.

Future Plans for Material Investments and Capital Assets

As at 30 June 2021, the Group did not have other plans for material investments and capital assets acquisition.

Material Acquisitions and Disposals

During the six months ended 30 June 2021, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Employees and Remuneration Policy

As at 30 June 2021, the Group employed 21 full-time employees (not including our Directors) and four part-time employees (30 June 2020: 14 full-time employees and four part-time employees). Our total staff cost (including directors emoluments, directors' quarters, wages, salaries and allowance, staff welfare and contributions to defined contribution retirement plan) for the six months ended 30 June 2021 and 2020 amounted to approximately HK\$7.5 million and HK\$4.8 million respectively. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences.



MANAGEMENT DISCUSSION AND ANALYSIS

Use of Proceeds

The shares of the Company were successfully listed on the GEM of the Stock Exchange on 12 July 2019 (the "Listing Date"). The net proceeds, after deduction of the related underwriting fees and issuance expenses paid by the Group in connection thereto, from the Share Offer (as set out in the prospectus of the Company dated 27 June 2019 (the "Prospectus")) received by the Company was approximately HK\$55.3 million.

Use of net proceeds	Planned amount as stated in the Prospectus HK\$ million	Actual amount utilised up to 30 June 2021 HK\$ million	Actual balance as at 30 June 2021 HK\$ million	Expected timeline for utilisation of unutilised net proceeds as at 30 June 2021
Purchasing new construction machinery for strengthening our rental fleet	15.3	15.3	—	—
Settlement of remaining amount of consideration payable for a newly acquired crawler crane	10.3	10.3	—	—
Recruiting and expanding our team of skilled and technical personnel (Note (a))	1.5	1.2	0.3	July - December 2021
Repayment of bank borrowings and finance leases	22.7	22.7	—	—
General working capital	5.5	5.5	—	—
Total	55.3	55.0	0.3	

Note:

- (a) The amount utilised up to 30 June 2021 is less than the amount set out in the section headed "Implementation Plans" of the Prospectus because suitable candidates were successfully hired later than the implementation plans.

Contingent Liabilities

As at 30 June 2021, the Group did not have material contingent liabilities (31 December 2020: HK\$Nil).

Event After the Reporting Period

The Group does not have material event after the reporting period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2021)

	Note	Three months ended 30 June		Six months ended 30 June	
		2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Revenue	3	62,848,332	15,537,074	152,154,340	43,332,997
Cost of sales and services		(57,487,471)	(10,075,698)	(141,972,315)	(28,142,106)
Gross profit		5,360,861	5,461,376	10,182,025	15,190,891
Net other (expenses)/income		(606,287)	72,072	(1,524,945)	126,667
Other operating expenses		(1,135,445)	(1,823,031)	(2,021,698)	(3,161,305)
Administrative expenses		(4,406,730)	(2,899,273)	(8,804,133)	(6,397,870)
Selling and distribution expenses		(353,735)	(222,661)	(932,801)	(500,294)
Finance costs		(413,283)	(388,430)	(854,392)	(723,530)
(Loss)/profit before taxation	4	(1,554,619)	200,053	(3,955,944)	4,534,559
Income tax expense	5	(250,238)	(268,122)	(472,308)	(1,342,737)
(Loss)/profit for the period attributable to owners of the Company		(1,804,857)	(68,069)	(4,428,252)	3,191,822
Other comprehensive income for the period		—	—	—	—
Total comprehensive (expense)/income for the period attributable to owners of the Company		(1,804,857)	(68,069)	(4,428,252)	3,191,822
(Loss)/earnings per share:					
Basic and diluted (HK\$ cents)	7	(0.25)	(0.01)	(0.62)	0.53





CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

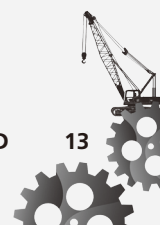
(As at 30 June 2021)

	Note	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Non-current assets			
Plant and equipment	8	123,249,269	139,312,891
Right of use assets	8	229,717	536,005
		123,478,986	139,848,896
Current assets			
Inventories		783,737	1,260,065
Trade and other receivables	9	44,287,546	35,185,589
Pledged bank deposits		2,921,676	2,921,466
Bank balance and cash		2,776,663	2,337,060
		50,769,622	41,704,180
Current liabilities			
Trade and other payables	10	7,218,729	9,032,619
Borrowings — due within one year	11	—	10,000,000
Obligations under finance leases — due within one year	12	31,002,196	22,362,358
Bank overdrafts		7,358,894	7,214,217
Lease liabilities — current portion	13	238,067	549,373
		45,817,886	49,158,567
Net current assets/(liabilities)		4,951,736	(7,454,387)
Total assets less current liabilities		128,430,722	132,394,509
Non-current liabilities			
Obligations under finance lease — due after one year	12	—	7,843
Deferred tax liabilities		9,464,034	8,991,726
		9,464,034	8,999,569
Net assets		118,966,688	123,394,940

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2021)

	Note	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Capital and reserves			
Issued capital	14	7,200,000	7,200,000
Reserves		111,766,688	116,194,940
Total equity		118,966,688	123,394,940





CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(For the six months ended 30 June 2021)

	Issued capital HK\$	Share premium HK\$	Merger reserve HK\$ (Note i)	Retained profits HK\$	Total HK\$
At 1 January 2020 (audited)	6,000,000	87,856,272	5,499,999	31,753,220	131,109,491
Profit and total comprehensive income for the period	—	—	—	3,191,822	3,191,822
At 30 June 2020 (unaudited)	6,000,000	87,856,272	5,499,999	34,945,042	134,301,313
At 1 January 2021 (audited)	7,200,000	93,694,025	5,499,999	17,000,916	123,394,940
Loss and total comprehensive expense for the period	—	—	—	(4,428,252)	(4,428,252)
At 30 June 2021 (unaudited)	7,200,000	93,694,025	5,499,999	12,572,664	118,966,688

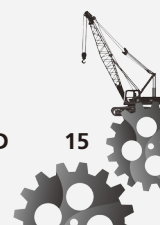
Notes:

- (i) Merger reserve represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of World Super Limited, a subsidiary which was acquired by the Company pursuant to the Group Reorganisation (as defined in the Prospectus).

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(For the six months ended 30 June 2021)

	Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Net cash (used in)/generated from operating activities	(7,323,170)	908,725
Investing activities		
Purchase of plant and equipment	(3,646,708)	(19,204,931)
Proceeds from disposal of plant and equipment	13,797,929	—
Other cash flow arising from investing activities	578	33,145
Net cash generated from/(used in) investing activities	10,151,799	(19,171,786)
Financing activities		
Interest paid	(845,076)	(697,638)
New borrowings raised	11,890,600	10,000,000
Repayment of borrowings	(10,000,000)	(5,594,214)
Repayment of obligations under finance leases	(3,258,605)	(3,247,375)
Repayment of lease liabilities	(320,622)	(505,422)
Net cash used in financing activities	(2,533,703)	(44,649)
Net increase/(decrease) in cash and cash equivalents	294,926	(18,307,710)
Cash and cash equivalents at 1 January	(4,877,157)	25,910,589
Cash and cash equivalents at 30 June	(4,582,231)	7,602,879
Cash and cash equivalents at end of the periods represented by		
Bank balances and cash	2,776,663	8,166,513
Bank overdrafts	(7,358,894)	(563,634)
	(4,582,231)	7,602,879





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 February 2016 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidation and revised) of the Cayman Islands. The addresses of the Company's registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 3403, 34/F., AIA Tower 183 Electric Road, North Point, Hong Kong respectively.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial information of the Group for each of the six months ended 30 June 2021 and 2020 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial information should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2020.

The accounting policies and method of computation used in the preparation of unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except as described below.

Adoption of new/revised HKFRSs

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period, does not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRSs but are not yet in a position to reasonably estimate whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

3. REVENUE AND SEGMENT REPORTING

The Group's revenue represents the net amounts received or receivable for machinery leased, goods sold and services provided in the normal course of business, net of discounts and returns.

For management purpose, the Group is organised based on its business activities. The Group determines its operating segments based on these business activities that are regularly reviewed by the chief operating decision maker, i.e. the executive directors of the Company, for the purpose of resources allocation and performance assessment.

Segment information about these reportable and operating segments is presented below.

(a) Disaggregation of revenue

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

Revenue from contracts with customers within the scope of HKFRS 15	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Disaggregated by major products of service lines				
— General sales	54,240,159	3,430,724	135,476,589	16,130,524
— Transportation and other service income	11,250	510,850	25,750	2,989,897
	54,251,409	3,941,574	135,502,339	19,120,421
Revenue from other sources				
— Plant hire income	8,596,923	11,595,500	16,652,001	24,212,576
	62,848,332	15,537,074	152,154,340	43,332,997
Disaggregated by geographical location of customers				
— Hong Kong	62,848,332	1,097,731	152,154,340	1,216,731
— Macau	—	14,439,343	—	42,116,266
	62,848,332	15,537,074	152,154,340	43,332,997





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information

For the six months ended 30 June 2021

	Plant hire income HK\$ (Unaudited)	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	General sales from trading of electronic and household products HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue					
Segment revenue from external customers	16,652,001	27,760	135,448,829	25,750	152,154,340
Revenue recognition					
As a point in time under HKFRS 15	—	27,760	135,448,829	25,750	135,502,339
Under HKFRS 16	16,652,001	—	—	—	16,652,001
	16,652,001	27,760	135,448,829	25,750	152,154,340
Results					
Segment results	7,774,612	13,121	108,370	12,678	7,908,781
Loss on disposal of plant and equipment					(1,520,802)
Unallocated income					29,002
Unallocated expense					(10,372,925)
Loss before taxation					(3,955,944)

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

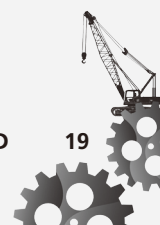
3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information (Continued)

For the six months ended 30 June 2020

	Plant hire income HK\$ (Unaudited)	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	General sales from trading of electronic and household products HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue					
Segment revenue from external customers	24,212,576	16,130,524	—	2,989,897	43,332,997
Revenue recognition					
As a point in time under HKFRS 15	—	16,130,524	—	2,989,897	19,120,421
Under HKFRS 16	24,212,576	—	—	—	24,212,576
	24,212,576	16,130,524	—	2,989,897	43,332,997
Results					
Segment results	9,210,891	2,350,017	—	469,909	12,030,817
Unallocated income					126,667
Unallocated expense					(7,622,925)
Profit before taxation					4,534,559

The unallocated expenses including administration staff costs, selling and distributions expenses, finance cost and other expenses as it cannot be allocated to each segment.





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information (Continued)

Where the segment assets and liabilities are regularly reviewed by the chief operating decision maker.

As at 30 June 2021:

	Plant hire income general sales from trading of machinery, tools and parts, and transportation and other services income HK\$ (Unaudited)	General sales from trading of electronic and household products HK\$ (Unaudited)	Consolidated HK\$ (Unaudited)
Assets			
Segment assets	146,388,877	22,622,690	169,011,567
Unallocated corporate assets			5,237,041
Consolidated total assets			174,248,608
Liabilities			
Segment liabilities	(53,015,019)	(511,399)	(53,526,418)
Unallocated corporate liabilities			(1,755,502)
Consolidated total liabilities			(55,281,920)

As at 31 December 2020:

	Plant hire income general sales from trading of machinery, tools and parts, and transportation and other services income HK\$ (Audited)	General sales from trading of electronic and household products HK\$ (Audited)	Consolidated HK\$ (Audited)
Assets			
Segment assets	164,067,627	13,456,317	177,523,944
Unallocated corporate assets			4,029,132
Consolidated total assets			181,553,076
Liabilities			
Segment liabilities	(54,543,039)	(2,071,402)	(56,614,441)
Unallocated corporate liabilities			(1,543,695)
Consolidated total liabilities			(58,158,136)

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

4. PROFIT BEFORE TAXATION

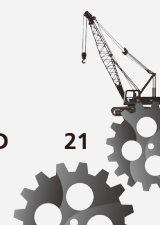
Profit before taxation is arrived at after charging:

(a) Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Interest on bank borrowings	58,812	1,571	162,964	50,862
Interest on bank overdrafts	84,873	99,076	160,219	124,493
Interest on finance leases	265,801	276,174	521,893	522,283
Interest on lease liabilities	3,797	11,609	9,316	25,892
	413,283	388,430	854,392	723,530

(b) Other items

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Cost of general sales	53,993,512	3,238,055	135,137,652	13,780,507
Depreciation on plant and equipment				
— owned assets	1,587,119	2,000,552	3,440,382	3,826,483
— assets held under finance lease	506,036	569,669	951,217	1,063,600
Depreciation on right of use assets	153,144	241,328	306,288	482,655
Loss on disposal of plant and equipment	581,123	—	1,520,802	—
Repairs and maintenance expense	946,052	1,386,173	1,478,655	2,249,390
Short term operating lease rentals in respect of rented premises	615,351	184,395	1,236,466	402,790
Allowance for expected credit losses ("ECL") on trade receivable	166,300	—	248,600	—





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

5. INCOME TAX IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Income tax in the statement of profit or loss and other comprehensive income represents:

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Current tax				
Hong Kong profit tax	—	—	—	—
Deferred taxation	250,238	268,122	472,308	1,342,737
	250,238	268,122	472,308	1,342,737

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits during the periods.

There is no Macau tax implication during the periods.

6. DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

7. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to owners of the Company is based on the following data:

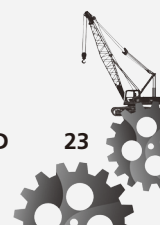
	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
(Loss)/Earnings				
(Loss)/Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share	(1,804,857)	(68,069)	(4,428,252)	3,191,822
Number of shares				
Issued ordinary shares (weighted average number of ordinary shares for purpose of basic earnings per share)	720,000,000	600,000,000	720,000,000	600,000,000
Basic (loss)/earnings per share (HK\$ cents)	(0.25)	(0.01)	(0.62)	0.53

No diluted (loss)/earning per share for the six months ended 30 June 2021 and 2020 were presented as there were no potential dilutive ordinary shares in issue during the period.

8. CAPITAL EXPENDITURES

During the six months ended 30 June 2021, the Group acquired plant and equipment for a total cost of approximately HK\$3.6 million (six months ended 30 June 2020: approximately HK\$26.0 million). Items of plant and equipment with a carrying amount of approximately HK\$15.3 million were disposed of during the six months ended 30 June 2021 (six months ended 30 June 2020: approximately HK\$Nil), resulting in a loss on disposal of approximately HK\$1.5 million (six months ended 30 June 2020: approximately HK\$Nil).

During the six months ended 30 June 2021 and 2020, the Group did not enter into any lease agreement which is required to recognised as right of use asset.





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Trade receivables	50,864,199	41,804,058
Less: Allowance for ECL on trade receivables	(7,739,595)	(7,490,995)
	43,124,604	34,313,063
Rental and utilities deposits paid	403,025	414,085
Prepayments	759,917	458,441
	44,287,546	35,185,589

The following is an aging analysis of trade receivable (net of allowance for ECL) presented based on the invoice date at the end of each reporting period:

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Within 30 days	3,330,226	3,608,254
31 - 60 days	7,361,898	1,929,792
61 - 90 days	7,996,050	6,273,924
91 - 120 days	13,024,298	5,751,058
121 - 365 days	9,746,951	16,504,185
Over 1 year	1,665,181	245,850
	43,124,604	34,313,063

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Revenue from contracts with customers included in the trade receivables were:

	As at 31 December	
	2021 HK\$ (Unaudited)	2020 HK\$ (Audited)
Balance at the beginning of the year	34,313,063	15,274,885
Balance at the end of the year	43,124,604	34,313,063

The Group allows a credit period of 0-60 days to its customers. Before accepting any new customer, the Group makes enquiries to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.

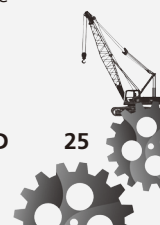
The management of the Group has individually assessed all receivables by taking into account the length of business relationship, reputation and repayment history of each of its customers. No impairment loss was recognised during the periods.

As at 30 June 2021 and 31 December 2020, included in the Group's trade receivable balances were debtors with an aggregate carrying amount of approximately HK\$41,424,604 and HK\$32,636,109, respectively, which were past due at the end of each reporting period for which the Group has not provided for impairment loss. The Group did not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Over due:		
Within 30 days	3,736,526	3,861,092
31-60 days	8,059,113	766,314
61-90 days	7,615,789	6,738,333
91-120 days	13,232,606	4,520,335
121-365 days	7,513,474	16,504,185
Over 1 year	1,267,096	245,850
	41,424,604	32,636,109

The management of the Group considers that there has not been a significant change in credit quality of the trade receivables from the date credit was initially granted up to the reporting date. In view of the good settlement history from those receivables which are past due but not impaired as at 30 June 2021 and 31 December 2020, the management of the Group considers that no provision for impairment is necessary in respect of these balances.





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

10. TRADE AND OTHER PAYABLES

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Trade payables	3,001,589	5,791,279
Contract liabilities (Note a)	15,484	16,054
Accrued expenses	4,191,656	3,215,286
Deposits and temporary received	10,000	10,000
	7,218,729	9,032,619

The following is an aging analysis of trade payables presented based on invoice date at the end of each reporting period:

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Within 30 days	188,869	2,447,236
30 - 60 days	713,819	453,837
61 - 90 days	215,081	329,089
Over 90 days	1,883,820	2,561,117
	3,001,589	5,791,279

Note a:

The contract liabilities primarily relate to the deposits or payments received in advance from customer for general sales from trading of machinery, tools and parts.

11. BORROWINGS

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Secured bank borrowings	—	10,000,000

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

11. BORROWINGS (CONTINUED)

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Borrowings that do not contain a repayable on demand clause:		
Within one year	—	—
More than one year, but not more than five years	—	—
Borrowings that contain a repayable on demand clause (shown under current liabilities):		
Within one year	—	10,000,000
More than one year, but not more than five years	—	—
	—	10,000,000
Less: Amounts due within one year shown under current liabilities	—	(10,000,000)
Amounts shown under non-current liabilities	—	—

As at 31 December 2020, the Group's borrowings are secured by the trade receivable with carrying amounts of approximately HK\$19.5 million.

12. OBLIGATIONS UNDER FINANCE LEASES

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	31,002,196	22,362,358
Non-current liabilities	—	7,843
	31,002,196	22,370,201

According to HK-Int 5 which requires the classification of the whole term loans containing a repayment on demand clause as current liabilities, the aggregate carrying amounts of approximately HK\$20.7 million and HK\$15.1 million have been reclassified from non-current liabilities to current liabilities as at 30 June 2021 and 31 December 2020 respectively.





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

12. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

	Minimum lease payments		Present value of minimum lease payments	
	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Within one year or contain a repayable on demand clause	33,597,726	24,024,873	31,002,196	22,362,358
In the second to fifth year inclusive	—	7,870	—	7,843
	33,597,726	24,032,743	31,002,196	22,370,201
Less: Future finance charges	(2,595,530)	(1,662,542)	—	—
Present value of finance lease obligations	31,002,196	22,370,201	31,002,196	22,370,201
Less: carrying amounts that are due for settlement within twelve months or contain a repayable on demand clause (shown under current liabilities)			(31,002,196)	(22,362,358)
Amount due shown under non-current liabilities			—	7,843

The Group acquires certain of its plant and machinery, and motor vehicles under finance leases. The average lease term entered by the Group for the finance leases outstanding as at 30 June 2021 and 31 December 2020 ranged from 3.5 to 5 years and 4 to 5 years respectively.

As at 30 June 2021, the Group's borrowings, bank overdrafts and obligations under finance leases are secured and guaranteed by:

- the leased assets; and
- pledged deposits of the Group of approximately HK\$2.9 million.

As at 31 December 2020, the Group's borrowings, bank overdrafts and obligations under finance leases are secured and guaranteed by:

- the leased assets;
- pledged deposits of the Group of approximately HK\$2.9 million; and
- trade receivable of the Group of approximately HK\$19.5 million.

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

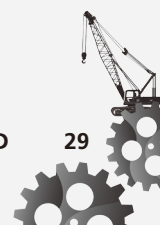
(For the six months ended 30 June 2021)

13. LEASE LIABILITIES

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	238,067	549,373
Non-current liabilities	—	—
	238,067	549,373

The average lease term entered by the Group for the obligation under obligating leases as at 30 June 2021 and 31 December 2020 ranged from 2 to 3 years.

	Minimum lease payments		Present value of minimum lease payments	
	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Amounts payable under obligating leases				
Within one year	240,467	561,089	238,067	549,373
More than one year but less than five years	—	—	—	—
	240,467	561,089	238,067	549,373
Less: future finance charges	(2,400)	(11,716)	—	—
Present value of obligation under obligating leases	238,067	549,373	238,067	549,373
Less: carrying amounts that due for settlement within twelve months			(238,067)	(549,373)
Amount due for settlement after twelve months			—	—





NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2021)

14. SHARE CAPITAL

	30 June 2021		31 December 2020	
	Number of shares (Unaudited)	Share capital HK\$ (Unaudited)	Number of shares (Audited)	Share capital HK\$ (Audited)
Authorised ordinary shares at HK\$0.01 per share				
At beginning and end of period/year	8,000,000,000	80,000,000	8,000,000,000	80,000,000
Issued & fully paid				
At beginning of period/year	720,000,000	7,200,000	600,000,000	6,000,000
Issue of shares under the placing (note a)	—	—	120,000,000	1,200,000
At end of period/year	720,000,000	7,200,000	720,000,000	7,200,000

Note:

- (a) On 6 August 2020, the Company issued 120,000,000 ordinary shares under general mandate through a placement. The aggregate gross proceeds from the placing was HK\$7,320,000 and aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing was HK\$7,037,753. The share capital has increased by HK\$1,200,000, while HK\$5,837,753 were credited to share premium.

15. OPERATING LEASE COMMITMENTS

Operating lease commitments

The Group as lessee

As at 30 June 2021 and 31 December 2020, the Group had contracted for the following future minimum lease payments under non-cancellable operating lease which fall due as follows:

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Within one year	240,467	426,340

Operating lease payments represent rentals payable by the Group for certain of its premises and machines.

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2021)

15. OPERATING LEASE COMMITMENTS (CONTINUED)

Operating lease commitments (Continued)

The Group as lessor

Income earned from leasing of machinery during the six months ended 30 June 2021 is HK\$16,652,001 (six months ended 30 June 2020: HK\$24,212,576). Leases are negotiated on a monthly basis.

As at 30 June 2021 and 31 December 2020, the Group had contracted with customers for the following future minimum lease payments:

	At 30 June 2021 HK\$ (Unaudited)	At 31 December 2020 HK\$ (Audited)
Within one year	—	5,379,908

16. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited condensed consolidated financial report, the Group and the Company has entered into the following transactions with related parties:

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors is as follows:

	Six months ended 30 June	
	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Short-term employee benefits (note 1)	1,495,150	1,222,800
Post-employment benefits	—	—
	1,495,150	1,222,800

Note:

- (1) It included benefit in kind which represented the payment for settlement of lease liabilities of directors' quarter of approximately HK\$189,000 (six months ended 30 June 2020: approximately HK\$185,000).





OTHER INFORMATION

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: HK\$Nil).

Purchase, Sale or Redemption of the Listed Securities

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of shares of the Company.

Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors which is on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding Director's securities transactions during the six months ended 30 June 2021.

Directors' and Chief Executives' Interests and/or Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations

As at 30 June 2021, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

(i) Long Positions in the Shares

Name of Director	Nature of interest	Number of shares held/ interested	Approximate percentage of shareholding in Company
Mr. Sou Peng Kan Albert ("Mr. Sou")	Interest in a controlled corporation and interest of spouse	262,500,000 (Note 1)	36.45%

Note:

- (1) Out of the 262,500,000 shares, 228,125,000 shares are registered in the name of Bao Han Holdings Limited ("Bao Han"), the entire issued share capital of which is legally and beneficially owned by Mr. Sou. Mr. Sou is deemed to be interested in all the shares held by Bao Han. The remaining 34,375,000 shares are registered in the name of Emerald Surplus International Limited ("Emerald Surplus"), the entire issued share capital of which is legally and beneficially owned by Ms. Chu Wing Yee ("Ms. Chu"). Ms. Chu is deemed to be interested in all the shares held by Emerald Surplus. Since Ms. Chu is the spouse of Mr. Sou, Mr. Sou is deemed to be interested in all the shares which Ms. Chu is interested in under the SFO.

(ii) Long Positions in the Shares of Associated Corporation

Name of Director	Name of associated corporation	Percentage of shareholding
Mr. Sou	Bao Han	100%

Save as disclosed above, as at 30 June 2021, none of the Directors nor the chief executives of the Company had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 and short positions which were taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests and/or Short Positions in Shares and Underlying Shares

As at 30 June 2021, so far as the Directors are aware, the following persons (other than Directors or chief executives of the Company) had or were deemed or taken to have the following interests and/or short positions in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO, or which were required to be as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

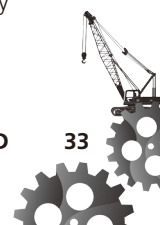
Long Positions in the Shares

Name of Shareholder	Nature of Interest	Number of shares held/ interested	Approximate percentage of shareholding in Company
Ms. Chu	Interest in a controlled corporation and interest of spouse	262,500,000 (Note 1)	36.45%
Mr. Chen Man Lok	Personal interests	88,500,000	12.29%

Note:

- (1) Out of the 262,500,000 shares, 34,375,000 shares are registered in the name of Emerald Surplus, the entire issued share capital of which is legally and beneficially owned by Ms. Chu. Ms. Chu is deemed to be interested in all the shares held by Emerald Surplus. The remaining 228,125,000 shares are registered in the name of Bao Han, the entire issued share capital of which is legally and beneficially owned by Mr. Sou. Mr. Sou is deemed to be interested in all the shares held by Bao Han. As Mr. Sou is the spouse of Ms. Chu, Ms. Chu is deemed to be interested in all the shares which Mr. Sou is interested in under the SFO.

Save as disclosed herein, as at 30 June 2021, the Directors are not aware of any person who had or deemed to have an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.





OTHER INFORMATION

Share Option Scheme

The Company has a share option scheme (the “Scheme”) which was approved and adopted by the shareholders of the Company pursuant to the written resolutions passed on 21 June 2019. As at the date of this report, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Scheme.

Directors’ Rights To Acquire Shares

At no time during the six months ended 30 June 2021, were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Directors’ Interests in Significant Transactions, Arrangements or Contracts of Significance

There has been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during the six months ended 30 June 2021.

Compliance with the Deed of Non-Competition

For the purpose of the listing of the Company, each of Mr. Sou and Ms. Chu, being the controlling shareholders of the Company, have entered into a deed of non-competition dated 21 June 2019 in favour of the Company, further details of which are disclosed in the section headed “Relationship with Our Controlling Shareholders” of the Prospectus and the non-competition undertaking has become effective from the Listing Date. The controlling shareholders have confirmed to the Company that they had complied with the non-competition undertaking during the six months ended 30 June 2021.

Competing Interests

During the six months ended 30 June 2021, the Directors are not aware of any business or interest of each Director, controlling shareholder, management shareholder and their respective associates (as defined in GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Changes of Directors’ Information

As at 30 June 2021, save as otherwise set out in this report, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of the Company’s last first quarterly report.

Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance practices. The Directors consider the Company has applied and complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules for the reporting period, except for Code Provision A.2.1 and E.1.5.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same person. The Company does not have a separate Chairman and CEO and Mr. Sou currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Group with strong and consistent leadership, allows for more effective planning and execution of long term business strategies and enhances efficiency in decision-making in response to the changing environment. Our Board believes that the balance of power and authority under this arrangement will not be impaired and is adequately ensured by the six-member composition of our Board, including three executive Directors, and three independent non-executive Directors.

Under the Code Provision E.1.5, the Company should have a policy on payment of dividends and should disclose it in its annual report. The Company does not have a dividend policy and the Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Group’s operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

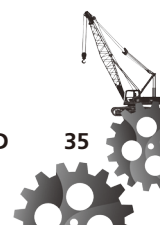
The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors.

Interests of the Compliance Adviser

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Grand Moore Capital Limited as the compliance adviser (the “Compliance Adviser”) with effect from 12 July 2019. As at 30 June 2021, as notified by the Compliance Adviser, save for the compliance adviser’s agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Audit Committee

The Company has established an audit committee (“Audit Committee”) with the written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system (including risk management) of the Group and provide advice and comments to the Board. As at the date of this report, the Audit Committee consists of three independent non-executive Directors who are Mr. Lee Tak Fai Thomas, Mr. Yau Lut Pong Leo and Mr. Yue Wai Leung Stan. Mr. Lee Tak Fai Thomas is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021.





OTHER INFORMATION

The condensed consolidated financial results of the Group for the six months ended 30 June 2021 have not been audited by the Company's auditor.

By Order of the Board
World Super Holdings Limited
Sou Peng Kan Albert
Chairman and executive Director

Hong Kong, 13 August 2021

As at the date of this report, the executive Directors are Mr. Sou Peng Kan Albert, Mr. Fok Hei Yuen Paul and Mr. Lau Lawrence Tak Sun; and the independent non-executive Directors are Mr. Lee Tak Fai Thomas, Mr. Yau Lut Pong Leo and Mr. Yue Wai Leung Stan.

This report will remain on the Stock Exchange's website at www.hkexnews.hk and on the "Latest Listed Company Information" page for at least seven days from the date of its posting. This report will also be published on the Company's website at www.worldsuperhk.com.