



**Space Group Holdings Limited**

**恆宇集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 2448



**2021**  
**INTERIM REPORT**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Che Chan U (*Chairman*)  
Ms. Lei Soi Kun  
Mr. Ho Kwong Yu

#### Independent Non-Executive Directors

Mr. Fan Chun Wah, Andrew  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun

#### AUDIT COMMITTEE

Mr. Fan Chun Wah, Andrew (*Chairman*)  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun

#### REMUNERATION COMMITTEE

Mr. Eulógio dos Remédios, José António (*Chairman*)  
Ms. Leong Iat Lun  
Mr. Ho Kwong Yu

#### NOMINATION COMMITTEE

Mr. Che Chan U (*Chairman*)  
Ms. Lei Soi Kun  
Mr. Eulógio dos Remédios, José António  
Ms. Leong Iat Lun  
Mr. Fan Chun Wah, Andrew

#### AUTHORISED REPRESENTATIVES

Mr. Che Chan U  
Mr. Ho Kwong Yu

#### COMPANY SECRETARY

Ms. Chan Hiu Wa (*CPA*)

#### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest Entity Auditor

#### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Edifício Centro Comercial Chong Fok  
8C, Avenida de Marciano Baptista 18  
Macau

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1905-07, Tower 6, The Gateway  
9 Canton Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

Banco Nacional Ultramarino, S.A.  
The Hongkong and Shanghai Banking  
Corporation Limited  
Bank of China Macau Branch

### LEGAL ADVISER

As to Hong Kong laws  
CHEUNG & CHOY

### STOCK CODE

2448 (listed on the Main Board of The Stock Exchange  
of Hong Kong Limited)

### WEBSITE

spacegroup.com.mo

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Space Group Holdings Limited (the “**Company**”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”), together with the comparative figures for the corresponding period in 2020 (the “**Previous Period**”).

### BUSINESS REVIEW

Since early 2021, as the economy of mainland China, Macau and Hong Kong has improved as the COVID-19 pandemic has been gradually brought under control, the backlog construction and fitting-out projects have gradually resumed. In addition, in alignment with the blueprint of business development, we have implemented a number of plans and strategic deployments, such as appointing additional senior executives, moving our Hong Kong office to a Grade A commercial building in Harbour City, Tsim Sha Tsui and establishing Mainland China headquarter and branches in Zhuhai Hengqin and Shanxi Province respectively, which symbolized the Group’s important milestone of financial sector expansion and getting hold of opportunities in the Greater Bay Area. Apart from the Type 1, 4 and 9 licenses issued by the Securities and Future Commission of Hong Kong (“**SFC**”) for engaging in dealing in securities, advising on investment and asset management business, our Company has also passed the preliminary approval of Qualified Foreign Limited Partnership (“**QFLP**”) license from Zhuhai Financial Services Authority. The comprehensive business model and sophisticated development of our Group has successfully offset the impact brought by increased complexity of the market environment. By virtue of appropriate development strategies, the turnover of our Group has reached MOP304.1 million during the Period, representing an increase of 42.7% from the Previous Period.

During the Period, apart from the improvement of business environment, the Group has been upgrading the business profile of our financial services business and devoting greater efforts to process the backlog of projects. Our overall gross profit sharply increased by 70.3% to MOP81.5 million while the gross profit margin increased by 4.3% to 26.8% compared with the Previous Period. Our profit attributable to equity shares of the Company increased to MOP38.2 million and our basic earnings per share has reached MOP0.05.

### FINANCIAL REVIEW

For the Period, the Group’s revenue was approximately MOP304.1 million (30 June 2020: approximately MOP213.1 million). During the Period, the Group also recorded profit of approximately MOP38.2 million (30 June 2020: approximately MOP25.0 million) and has 12 ongoing fitting-out projects. The revenue from provision of financial services for the Period amounted to approximately MOP27.0 million (30 June 2020: Nil).

#### Revenue

For the Period, the revenue of the Group amounted to approximately MOP304.1 million, representing an increase of approximately 42.7% from approximately MOP213.1 million for the Previous Period.

The increase of the Group’s revenue was mainly attributable to the resumption of the backlog of construction projects as the COVID-19 epidemic was gradually kept under control.

The revenue from fitting-out works increased from approximately MOP213.1 million for the Previous Period to approximately MOP277.2 million for the Period. Such increase was mainly attributable to the increase of the number of fitting-out works projects awarded during the Period when compared to the Previous Period.

The revenue from provision of financial services for the Period amounted to approximately MOP27.0 million (30 June 2020: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Cost of sales

For the Period, the cost of sales of the Group increased by 34.7% to approximately MOP222.6 million when compared with the Previous Period (30 June 2020: approximately MOP165.2 million).

The increase of the Group's cost of sales was mainly attributable to the increase in the subcontracting costs and the direct labour costs from the fitting-out works which is in line with the increase in revenue from fitting-out works.

### Gross profit and gross profit margin

The gross profit of the Group for the Period increased by approximately MOP33.7 million to approximately MOP81.5 million (30 June 2020: approximately MOP47.8 million), and the gross profit margin increased to approximately 26.8% (30 June 2020: approximately 22.5%). The increase of the gross profit margin was mainly attributable to the increase in gross profit margin from the financial services segment.

### Other income

The Group's other income mainly included income from new asset management business of approximately MOP3.5 million for the Period.

### General and administrative expenses

The Group's administrative expenses increased to approximately MOP34.9 million for the Period from approximately MOP15.0 million for the Previous Period. The increase by approximately 132.5% was mainly attributable to the increase in administrative cost as a result of the acquisition of new business.

### Finance costs

The finance costs mainly represented interests on bank borrowings and overdrafts and other borrowings. Our finance costs increased by approximately MOP3.1 million to approximately MOP8.2 million for the Period from approximately MOP5.1 million for the Previous Period. The increase was mainly due to an increase in our average outstanding bank loans and overdraft and other borrowings during the Period.

### Income tax expenses

The Group's income tax expenses increased by 53.2% to approximately MOP5.8 million for the Period when compared to approximately MOP3.8 million for the Previous Period. This was in line with the increase in profit before taxation for the Period.

### Profit for the Period

For the Period, our profit after taxation increased to approximately MOP38.2 million from approximately MOP25.0 million for the Previous Period mainly due to the combined effect of the aforementioned items.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### CORPORATE FINANCE AND RISK MANAGEMENT

#### Liquidity, financial and capital resources

##### *Cash position*

The Group's cash and cash equivalents balances (excluding bank overdrafts) as at 30 June 2021 amounted to approximately MOP67.6 million, representing a decrease of approximately MOP28.6 million as compared to approximately MOP96.2 million as at 31 December 2020, which was attributable to the increase in cash used in operating activities and purchase of property, plant and equipment.

As at 30 June 2021, the Group's indebtedness comprised bank loans and overdrafts and other borrowings of approximately MOP457.3 million (31 December 2020: approximately MOP436.9 million), of which certain of them were secured by pledged bank deposits.

##### *Gearing ratio*

As at 30 June 2021, the gearing ratio (calculated by total debts divided by total equity; total debts include payables incurred not in the ordinary course of business) was 0.77, as compared with 0.99 as at 31 December 2020.

The decrease was primarily attributable to the increase of capital and reserves as at 30 June 2021.

##### *Treasury policies*

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

##### *Foreign currency risk*

The Group has certain bank balances denominated in Hong Kong Dollar other than the functional currency of respective group entities as at 30 June 2021. Since Macau Pataca is pegged to Hong Kong Dollar, the Group does not have significant exposure to foreign currency risk.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### *Capital Structure*

#### *Authorised share capital*

As at 30 June 2021, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 shares (the “Shares”) of HK\$0.01 each.

#### *Issued share capital*

As at 30 June 2021, the number of Shares in issue was 806,000,000 Shares of HK\$0.01 each (31 December 2020: 760,000,000 Shares). During the Period, the Company has completed the placing of new shares. The net proceeds from issue of new shares under the placing agreement on 17 March 2021 (as supplemented by an agreement dated 7 April 2021) were approximately HK\$106.5 million and the placing was completed on 16 April 2021. The intended use of proceeds from the placing would be for the general working capital and for future expansion of the Group. For further details of the placing, please refer to the Company’s announcements dated 17 March 2021, 7 April 2021 and 16 April 2021, respectively. Save as disclosed in this report, there is no change to the issued share capital of the Company during the Period.

### *Capital commitments*

As at 30 June 2021, the Group had no capital commitments (31 December 2020: Nil).

### *Contingent liabilities*

As at 30 June 2021, the Group had contingent liabilities of approximately MOP13.0 million (31 December 2020: approximately MOP20.7 million). The decrease was primarily due to the release of bank guarantees given to potential customers for an invitation to tender.

## CHARGES ON THE GROUP’S ASSETS

As at 30 June 2021, bank deposits of approximately MOP103.9 million (31 December 2020: approximately MOP92.1 million) were pledged to secure the banking facilities (including bank loans and overdraft).

## EMPLOYEES AND REMUNERATION POLICIES

The Group had 83 employees as at 30 June 2021 (30 June 2020: 76). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### EVENTS AFTER THE REPORTING PERIOD

No significant event took place subsequent to 30 June 2021.

### PROSPECTS

With the support of worldwide COVID-19 vaccination, many countries are making efforts to reinvigorate the economy and to create employment opportunities to promote economic growth. Meanwhile, many central banks have injected fund into the market through diverse ways to maintain the steadiness of market. As mainland China opens capital market further and provides more diversified products, we anticipate that mainland China market will become the growing engine of our Group's business in the near future. Besides, the close cooperation between mainland China, Macau and Hong Kong will enhance financial connection of the Greater Bay Area. All the factors will benefit the long-term development of the Group and support the Group's progression to become top financial institution in the Greater Bay Area.

As customers tend to use digital platforms, our Group will further strengthen our digital products in financial services to provide comprehensive, fast and reliable online services, which will be helpful for enhancing the degree of customer participation and eventually widening customer base. In terms of cost control, our Group is sparing no effort to expand business with the lowest possible cost rise. We also aim to improve way of financing so as to achieve a more balanced gearing level. Through internal resource sharing, we promote higher administrative efficiency to exert greater synergy and make the financial situation steadier.

Without efforts of our Group's management teams, support from our valuable customers and contribution of our staff, the Group cannot have successfully fight against the shock of pandemic. We will spare no effort as always to achieve a long-term steady growth of our business and bring about further returns to shareholders.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2018.

As at 30 June 2021, the interests and short positions of Directors and/or the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) (the "SFO") as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### The Company

Name of Director	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Che Chan U ("Mr. Che")	Interest held jointly with another person; interest in a controlled corporation <sup>(2)</sup>	541,500,000 Shares (L)	67.18%
Lei Soi Kun ("Ms. Lei")	Interest held jointly with another person; interest in a controlled corporation <sup>(2)</sup>	541,500,000 Shares (L)	67.18%

Notes:

- (1) The letter "L" denotes the Directors' long position in the Shares.
- (2) The Company was held as to approximately 67.18% by Space Investment (BVI) Ltd ("Space Investment"). Space Investment is held as to 94.74% by Mr. Che and 5.26% by Ms. Lei.

#### Associated corporation

Name of Director	Name of associated corporation	Capacity	Number of Shares held/ interested in the associated corporation <sup>(1)</sup>	Approximate percentage of the total issued shares in the associated corporation
Mr. Che	Space Investment	Beneficial owner	9,474 Shares (L)	94.74%
Ms. Lei	Space Investment	Beneficial owner	526 Shares (L)	5.26%

Note:

- (1) The letter "L" denotes the Directors' long position in the shares of the associated corporation.

## OTHER INFORMATION (continued)

Save as disclosed in the foregoing, as at 30 June 2021, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, so far as is known to the Directors, the following persons or corporation (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Space Investment	Beneficial owner <sup>(2)</sup>	541,500,000 Shares (L)	67.18%
Ng Lai Kuan ("Ms. Ng")	Interest of spouse <sup>(3)</sup>	541,500,000 Shares (L)	67.18%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Space Investment is directly interested in 67.18% in the Company.
- (3) Ms. Ng is the spouse of Mr. Che. Ms. Ng is deemed to be interested in the same number of Shares in which Mr. Che is interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2021, the Directors are not aware of any other persons or corporations (other than the Directors and chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares of the Company or any of its associated companies which would fall to be disclosed to the Company 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.

## OTHER INFORMATION (continued)

### SHARE OPTION SCHEME

On 20 December 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants and for such other purposes as the Board approves from time to time. From the adoption date of the Share Option Scheme up to 30 June 2021, no option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

In order for the Group to raise additional capital for its future expansion and business development, on 17 March 2021, the Company and a placing agent entered into a placing agreement (as supplemented by an agreement dated 7 April 2021), pursuant to which the placing agent has conditionally agreed to procure, on a best effort basis, not less than six independent places, who are professional, institutional or other investor, who and whose ultimate beneficial owners are third parties independent of, not acting in concert with and not connected with the Company and its connected persons, to subscribe for up to 46,000,000 new ordinary shares at a placing price of HK\$2.35 per placing share (the “**Placing**”). The net price to the Company of each placing share is approximately HK\$2.29. The market price of the shares on the date when the issuance terms were determined (i.e. 7 April 2021) was HK\$2.50. The Placing was completed on 16 April 2021 and a total of 46,000,000 placing shares have been successfully placed by the placing agent. The gross proceeds and net proceeds from the Placing were approximately HK\$108.1 million and approximately HK\$106.5 million, respectively. The Company applied the net proceeds from the Placing as general working capital and for future expansion of the Group. For details of the Placing, please refer to the Company’s announcements dated 17 March 2021, 7 April 2021 and 16 April 2021, respectively.

### SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries, during the six months ended 30 June 2021, the Group did not hold any significant investment in equity interest in any company.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

### MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2021.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

## OTHER INFORMATION (continued)

### CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2021.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2021.

### DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the Period.

### AUDIT COMMITTEE

An audit committee of the Company (the "Audit Committee") has been established on 20 December 2017 in accordance with Rule 3.21 of the Listing Rules with its terms of reference in compliance with paragraph C.3 of the CG Code. The Audit Committee comprises three members, namely Mr. Fan Chun Wah, Andrew, Mr. Eulógio dos Remédios, José António and Ms. Leong Iat Lun, all being independent non-executive Directors. Mr. Fan Chun Wah, Andrew serves as the chairman of the Audit Committee.

The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting of the Group and also a review of risk management and internal control systems of the Group, by satisfying themselves as to the effectiveness of the internal controls, and as to the adequacy of the external and internal audits.

The Audit Committee has reviewed with the management the interim results of the Group for the six months ended 30 June 2021, accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information. The Audit Committee is of the view that such interim results complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosure have been made.

By order of the Board  
**Space Group Holdings Limited**  
Che Chan U  
Chairman

Hong Kong, 23 August 2021

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2021  
(Expressed in Macau Pataca)

	Notes	Six months ended 30 June	
		2021 MOP'000	2020 MOP'000
<b>Revenue</b>	2	304,119	213,088
Cost of sales		(222,648)	(165,245)
<b>Gross profit</b>		81,471	47,843
Other income and gains, net		5,587	754
General and administrative expenses		(34,933)	(15,027)
<b>Profit from operations</b>		52,125	33,570
Finance costs		(8,200)	(5,117)
Share of results of an associate		–	266
<b>Profit before taxation</b>	3	43,925	28,719
Income tax	4	(5,769)	(3,765)
<b>Profit for the period</b>		38,156	24,954
<b>Attributable to:</b>			
Equity shareholders of the Company		38,156	24,954
Non-controlling interests		–	–
<b>Profit for the period</b>		38,156	24,954
<b>Earnings per share</b>			
– Basic and diluted	5	MOP0.05	MOP0.03

The notes on pages 18 to 28 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 10.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2021  
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2021 MOP'000	2020 MOP'000
<b>Profit for the period</b>	38,156	24,954
<b>Other comprehensive income for the period:</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of operations based outside Macau	–	17
Other comprehensive income for the period, net of tax	–	17
<b>Total comprehensive income for the period</b>	38,156	24,971
<b>Attributable to:</b>		
Equity shareholders of the Company	38,156	24,971
Non-controlling interests	–	–
<b>Total comprehensive income for the period</b>	38,156	24,971

The notes on pages 18 to 28 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2021  
(Expressed in Macau Pataca)

	Notes	30 June 2021 MOP'000	31 December 2020 MOP'000
<b>Non-current assets</b>			
Property, plant and equipment	6	26,894	3,599
Investment properties		110,210	110,210
Investment in an insurance contract		2,658	2,658
Other non-current assets		812	812
		140,574	117,279
<b>Current assets</b>			
Contract assets		47,432	31,306
Trade and other receivables	7	493,894	413,424
Prepayments		314,459	219,855
Amount due from a director		–	9,534
Financial assets at fair value through profit or loss		28	28
Pledged deposits		103,941	92,133
Cash and cash equivalents (excluding bank overdrafts)		67,564	96,231
		1,027,318	862,511
<b>Current liabilities</b>			
Trade and other payables	8	64,555	62,370
Bank loans and overdrafts and other borrowings		457,344	436,913
Lease liabilities		4,632	1,693
Amount due to a director		2,826	–
Tax payable		37,089	31,296
		566,446	532,272
<b>Net current assets</b>			
		460,872	330,239
<b>Total assets less current liabilities</b>			
		601,446	447,518
<b>Non-current liabilities</b>			
Deferred tax liabilities		2,660	2,684
Lease liabilities		7,644	1,514
		10,304	4,198
<b>NET ASSETS</b>			
		591,142	443,320
<b>CAPITAL AND RESERVES</b>			
Share capital	9	8,302	7,828
Reserves		582,791	435,443
<b>Total equity attributable to equity shareholders of the Company</b>			
		591,093	443,271
Non-controlling interests		49	49
<b>TOTAL EQUITY</b>			
		591,142	443,320

The notes on pages 18 to 28 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2021  
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits			
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
<b>Balance at 1 January 2020</b>	7,828	245,822	150	(8,388)	(10)	158,463	403,865	49	403,914
<b>Changes in equity for the six months ended 30 June 2020:</b>									
Profit for the period	-	-	-	-	-	24,954	24,954	-	24,954
Other comprehensive income	-	-	-	-	17	-	17	-	17
<b>Total comprehensive income</b>	-	-	-	-	17	24,954	24,971	-	24,971
<b>Balance at 30 June 2020 and 1 July 2020</b>	7,828	245,822	150	(8,388)	7	183,417	428,836	49	428,885
<b>Changes in equity for the six months ended 31 December 2020:</b>									
Profit for the period	-	-	-	-	-	14,442	14,442	-	14,442
Other comprehensive income	-	-	-	-	(7)	-	(7)	-	(7)
<b>Total comprehensive income</b>	-	-	-	-	(7)	14,442	14,435	-	14,435
<b>Balance at 31 December 2020</b>	7,828	245,822	150	(8,388)	-	197,859	443,271	49	443,320

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** (continued)

for the six months ended 30 June 2021  
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits			
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
<b>Balance at 31 December 2020</b>	7,828	245,822	150	(8,388)	-	197,859	443,271	49	443,320
<b>Changes in equity for the six months ended 30 June 2021:</b>									
Profit for the period	-	-	-	-	-	38,156	38,156	-	38,156
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	38,156	38,156	-	38,156
Transactions with owners in their capacity as owners:									
Ordinary shares issued, net of transaction costs	474	109,192	-	-	-	-	109,666	-	109,666
<b>Balance at 30 June 2021</b>	8,302	355,014	150	(8,388)	-	236,015	591,093	49	591,142

The notes on pages 18 to 28 form part of this interim financial report.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2021  
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2021 MOP'000	2020 MOP'000
<b>Operating activities</b>		
Net cash used in operating activities	(122,248)	(57,879)
<b>Investment activities</b>		
Payment for the purchase of property, plant and equipment	(15,313)	-
Interest received	262	242
<b>Net cash (used in)/generated from investing activities</b>	<b>(15,051)</b>	<b>242</b>
<b>Financing activities</b>		
Proceeds from new bank loans and other borrowings	497,172	221,339
Repayment of bank loans and other borrowings	(457,468)	(145,249)
Interest paid	(8,200)	(5,000)
(Increase)/decrease in pledged deposits	(11,808)	28,030
Payment for lease liabilities	(1,457)	(1,444)
Net proceeds from issue of ordinary shares	109,666	-
<b>Net cash generated from financing activities</b>	<b>127,905</b>	<b>97,676</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,394)</b>	<b>40,039</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>63,501</b>	<b>(17,106)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>54,107</b>	<b>22,933</b>
<b>Cash and cash equivalents at the end of the period included:</b>		
Cash at bank and on hand	67,564	55,931
Bank overdrafts	(13,457)	(32,998)
	<b>54,107</b>	<b>22,933</b>

The notes on pages 18 to 28 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Macau Pataca unless otherwise indicated)

## 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 23 August 2021.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The accounting policies, basis of presentation and methods of computation used in preparing the interim financial report are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2021 as set out below.

The following new or amended HKFRSs and HKASs are adopted for the financial year beginning 1 January 2021, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods:

HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform – Phase 2
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The Group has not early adopted any other new or amended HKFRSs and HKASs that are not yet effective for the current accounting period.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by business lines (fitting-out works, building construction works and provision of financial services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management (i.e. the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments. No operating segments have been aggregated to form the following reportable segments.

#### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by business lines is as follows:

	Fitting-out works MOP'000	Building construction works MOP'000	Financial services MOP'000	Total MOP'000
<b>For the six months ended 30 June 2021</b>				
At a point in time	–	–	26,954	26,954
Over time	277,165	–	–	277,165
	277,165	–	26,954	304,119

	Fitting-out works MOP'000	Building construction works MOP'000	Financial services MOP'000	Total MOP'000
<b>For the six months ended 30 June 2020</b>				
At a point in time	–	–	–	–
Over time	213,088	–	–	213,088
	213,088	–	–	213,088

Fitting-out works and building construction works represent performance obligations that the Group satisfies over time for each respective contract. The period of fitting-out works and building construction works varies from 2 to 24 months (2020: from 1 to 40 months).

Financial services represent performance obligations that the Group satisfies at a point in time upon the execution of the underlying transaction.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

*(Expressed in Macau Pataca unless otherwise indicated)*

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2021, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is MOP661,448,000 (2020: MOP439,812,000). This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. Based on the information available to the Group at the end of the reporting period, the Group will recognise such amount when or as the work is completed which is expected to occur over the next 1 to 19 months (2020: 5 to 35 months).

#### (c) Segment information

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Fitting-out works: this segment is involved in the execution of fitting-out works, including procurement of materials, site supervision, management of subcontractors, overall project management, interior decorative and modification works for existing buildings.
- Building construction works: this segment is involved in structural building works, including procurement of materials, site supervision, management of subcontractors and overall project management.
- Financial services: this segment is involved in the provision of securities brokerage services and securities and asset management advisory services to customers.

Segment assets and liabilities of the Group are not reported to the Group's CODM regularly. As a result, reportable assets and liabilities have not been presented in the consolidated financial statements.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Segment information (Continued)

##### (i) Segment results

The Group's CODM monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. Assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is earnings before tax.

Inter-segment transactions, if any, are conducted with reference to the prices charged to independent third parties.

The unaudited segment results of the Group for the six months ended 30 June 2021 are as follows:

	Fitting-out works MOP'000	Financial services MOP'000	Elimination MOP'000	Total MOP'000
<b>Segment revenue and other income:</b>				
Sales to external customers	277,165	26,954	-	304,119
Inter-segment sales	-	2,227	(2,227)	-
<b>Total</b>	<b>277,165</b>	<b>29,181</b>	<b>(2,227)</b>	<b>304,119</b>
Segment results	33,019	17,091	(2,227)	47,883
Unallocated head office and corporate expenses				(3,958)
Income tax expense				(5,769)
<b>Profit for the Period</b>				<b>38,156</b>
<b>Other segment information:</b>				
Depreciation	2,177	367	-	2,544
Finance costs	8,191	9	-	8,200

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Segment information (Continued)

##### (i) Segment results (Continued)

The unaudited segment results of the Group for the six months ended 30 June 2020 are as follows:

	Fitting-out works MOP'000	Financial services MOP'000	Elimination MOP'000	Total MOP'000
<b>Segment revenue and other income:</b>				
Sales to external customers	213,088	-	-	213,088
Inter-segment sales	-	-	-	-
<b>Total</b>	<b>213,088</b>	<b>-</b>	<b>-</b>	<b>213,088</b>
Segment results	31,487	-	-	31,487
Unallocated head office and corporate expenses				(3,034)
Share of results of an associate				266
Income tax expense				(3,765)
<b>Profit for the Period</b>				<b>24,954</b>
<b>Other segment information:</b>				
Depreciation	942	-	-	942
Finance costs	5,117	-	-	5,117

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 2 REVENUE AND SEGMENT REPORTING (Continued)

#### (c) Segment information (Continued)

##### (ii) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets and investment properties ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided. The geographical location of specified non-current assets is based on the location of the operation to which they are allocated.

	Revenues from external customers		Specified non-current assets	
	Six months ended 30 June		30 June	31 December
	2021 MOP'000	2020 MOP'000	2021 MOP'000	2020 MOP'000
Macau (place of domicile)	99,559	114,593	112,031	112,740
Hong Kong	204,560	98,495	15,940	1,881
Mainland China	–	–	9,945	–
	204,560	98,495	25,885	1,881
	304,119	213,088	137,916	114,621

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		Six months ended 30 June	
		2021	2020
		MOP'000	MOP'000
<b>(a)</b>	<b>Finance costs</b>		
	Interest on bank loans and overdrafts and other borrowings	7,963	5,000
	Interest on lease liabilities	237	117
<b>(b)</b>	<b>Other items</b>		
	Depreciation charge		
	– owned property, plant and equipment	456	78
	– right-of-use assets	2,088	864
	Interest income	(262)	(242)
	Handling fee income	(3,538)	–
	Commission, handling and settlement expenses	3,915	–

### 4 INCOME TAX

		Six months ended 30 June	
		2021	2020
		MOP'000	MOP'000
	Current tax – Macau Complementary Tax	999	1,174
	Current tax – Hong Kong Profits Tax	4,746	2,590
	Deferred tax – Original and reversal of temporary differences	24	1
		5,769	3,765

The Group is not subject to any income tax in the Cayman Islands and British Virgin Islands pursuant to the rules and regulations in the corresponding jurisdictions.

Macau Complementary Tax is calculated at 12% (2020: 12%) of the estimated assessable profits exceeding MOP600,000 (2020: MOP600,000) for the six months ended 30 June 2021.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

*(Expressed in Macau Pataca unless otherwise indicated)*

### 4 INCOME TAX (Continued)

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland revenue (Amendment) (No. 3) Ordinance 2018 (the “**Ordinance**”). Under the two-tiered profits tax rate regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018–2019. Accordingly, the provision for Hong Kong Profits Tax for the six months ended 30 June 2021 is calculated in accordance with the two-tiered profits tax regime.

Corporate Income Tax in the People’s Republic of China (“**the PRC**”) for the six months ended 30 June 2021 is calculated at 25% (2020: 25%). No corporate income tax has been provided because the entities in the PRC has no assessable profits for the six months ended 30 June 2020 and 2021.

### 5 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of MOP38,156,000 (six months ended 30 June 2020: MOP24,954,000) and the weighted average of 779,061,000 ordinary shares (2020: 760,000,000 shares).

#### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as the Group did not have dilutive potential ordinary shares for both periods.

### 6 PROPERTY, PLANT AND EQUIPMENT

#### (a) Right-of-use assets

During the six months ended 30 June 2021, the Group entered into a lease agreement for use of office, and therefore recognised the additions to right-of-use assets of MOP10,526,000.

#### (b) Acquisitions of owned assets

During the six months ended 30 June 2021, the Group acquired items of property, plant and machinery with a cost of MOP15,313,000 (six months ended 30 June 2020: nil).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

### 7 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	30 June 2021 MOP'000	31 December 2020 MOP'000
Within 1 month	169,407	48,607
1 to 3 months	32,220	46,510
3 to 6 months	80,123	61,201
6 to 12 months	141,982	147,768
Over 1 year but less than 2 years	27,682	34,556
Over 2 years but less than 3 years	-	-
Trade debtors, net of loss allowance	451,414	338,642
Deposits and other receivables	42,480	74,782
	493,894	413,424

The balance represents amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 45 days from the date of invoice and therefore are all classified as current. The Group assessed the expected credit loss of trade receivables based on the historical default credit experiences and forward-looking information that is available.

As at 30 June 2021, amount due from a related party of MOP nil (2020: MOP2,567,000), which is trade-related, unsecured, interest-free and due within 45 days from the date of invoice.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT** (continued)*(Expressed in Macau Pataca unless otherwise indicated)***8 TRADE AND OTHER PAYABLES**

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	30 June 2021 MOP'000	31 December 2020 MOP'000
Within 1 month	14,613	18,141
1 to 3 months	98	281
3 to 6 months	50	171
Over 6 months	20,371	21,852
Trade payables	35,132	40,445
Retention payables	12,481	14,012
Other payables and accruals	16,942	7,913
	64,555	62,370

**9 SHARE CAPITAL**

On 16 April 2021, the Company completed the share placing and a total of 46,000,000 placing shares have been successfully placed by the placing agent. The gross proceeds and net proceeds from the share placing were approximately MOP111,343,000 and approximately MOP109,664,000, respectively.

**10 DIVIDENDS**

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2021. No dividend was declared or paid by the Company during the six months ended 30 June 2020 to its equity shareholders.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT** (continued)*(Expressed in Macau Pataca unless otherwise indicated)***11 CONTINGENT LIABILITIES**

At the end of the reporting period, contingent liabilities not provided for in these financial statements were as follows:

	30 June 2021 MOP'000	31 December 2020 MOP'000
Performance bonds given to customers for due and proper performance of projects undertaken by the Group's subsidiaries	13,043	13,684
Bank guarantees given to potential customers for an invitation to tender	–	6,971
	<b>13,043</b>	<b>20,655</b>

**12 REVIEW OF INTERIM FINANCIAL REPORT**

The unaudited interim financial report for the six months ended 30 June 2021 has been reviewed by the Audit Committee with no disagreement.