

WORLD SUPER HOLDINGS LIMITED

維亮控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8612



2022

INTERIM REPORT



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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 2022, together with the comparative figures for the corresponding period in 2021 as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	
Revenue	13,959,825	16,705,511	(16.4)%
Gross profit	8,245,596	9,856,209	(16.3)%
Loss for the period	(8,245,698)	(4,428,252)	86.2%
Loss for the period (excluding gain or loss on disposal of plant and equipment and loss on disposal of subsidiaries)	(4,176,536)	(2,907,450)	43.6%



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 bored 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; and (v) provision of money lending services.

On 18 March 2022, the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Yummy Network Technology Company Limited (“Yummy Network”). Yummy Network is 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 the PRC. The disposal was completed on 29 April 2022.

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\$16.7 million for the six months ended 30 June 2021 to approximately HK\$13.9 million for the six months ended 30 June 2022. The decrease is due to the decrease in plant hire income from owned rental fleet.

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\$28,000 for the six months ended 30 June 2021 to approximately HK\$Nil for the six months ended 30 June 2022. 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 increased from approximately HK\$26,000 for the six months ended 30 June 2021 to approximately HK\$0.1 million for the six months ended 30 June 2022. The increase is mainly due to more 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 bored piling works.

During the six months ended 30 June 2022, no revenue was generated from the foundation works and ancillary services business (six months ended 30 June 2021: HK\$Nil).

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 2022, no revenue was generated from the money lending business (six months ended 30 June 2021: HK\$Nil).

Prospects

The coronavirus pandemic continues to ravage in different counties/ regions, the Group will continue to respond to the changing market environment, and pay close attention to explore any suitable business opportunity in the market, so as to maximize return for our shareholders and investors.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

Continuing operation

Revenue

The Group's revenue includes plant hire income from leasing of construction machinery, general sales from trading of construction machinery tools and parts and transportation and other services income, and interest income from money lending business.

The Group's revenue decreased from approximately HK\$16.7 million for the six months ended 30 June 2021 to approximately HK\$14.0 million for the six months ended 30 June 2022, representing an decrease of approximately 16.4% which mainly due to the decreased in plant hire income from owned rental fleet.

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 2022, the Group's cost of sales and services amount to approximately HK\$5.7 million (six months ended 30 June 2021: approximately HK\$6.8 million). The decrease in cost of sales and services was mainly due to the decrease in the warehouse staff cost.

Net other Income/(Expenses)

Net other income/(expenses) mainly represents the loss on disposal of plant and equipment, loss on disposal of subsidiaries, bank interest income and net exchange gain/(loss). The Group's net other expenses increase from approximately HK\$1.5 million for the six months ended 30 June 2021 to approximately HK\$4.1 million for the six months ended 30 June 2022, which was mainly due to the increase in the loss on disposal of subsidiaries to approximately HK\$4.1 million for the six months ended 30 June 2022 from HK\$Nil for the six months ended 30 June 2021.

Administrative Expenses

Administrative expenses mainly include staff costs, short term operating lease rental in respect of rental premises and listing-related expenses. For the six months ended 30 June 2022, the Group's administrative expenses amounted to approximately HK\$7.8 million (six months ended 30 June 2021: approximately HK\$7.7 million). The increment is mainly due to the increase in (i) listing-related expenses and (ii) staff cost.

Taxation

The Group recorded income tax expenses of approximately HK\$0.1 million and HK\$0.5 million for the six months ended 30 June 2022 and 2021 respectively, decrease is mainly because of the decrease in taxable profit for the six months ended 30 June 2022.

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

Loss for the Period

The Group's net loss increased from approximately HK\$3.6 million for the six months ended 30 June 2021 to approximately HK\$8.0 million for the six months ended 30 June 2022, which is mainly due to the increase in the loss on disposal of subsidiaries of approximately HK\$4.1 million.

Discontinued operations

With effect from 18 March 2022, the financial results of general sales from trading of electronic and household products segment was classified as the discontinued operation because the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Yummy Network.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings and internally generated cash flow and proceeds received from the placing of the Company's shares.

On 1 March 2022, the Company entered into a placing agreement pursuant to which the Company has agreed to issue 44,000,000 new ordinary shares of HK\$0.01 each at the placing price of HK\$0.09 per share by way of placing to not less than six independent placees (the "2022 Placement"). As at the date of the placing agreement, the closing market price of the Company's share as quoted on the Stock Exchange was HK\$0.108 per share.

On 21 March 2022, the 2022 Placement was completed. The net proceeds from issue of new shares after deducting related transaction costs was approximately HK\$3.8 million and use for repayment of overdraft facility.

As at 30 June 2022, the Group had bank balances and cash of approximately HK\$10.8 million (31 December 2021: approximately HK\$14.3 million) and pledged bank deposits of approximately HK\$2.9 million (31 December 2021: approximately HK\$2.9 million). The decrease in bank balance and cash was mainly due to the repayment of overdraft facility.

The interest-bearing loans of the Group as at 30 June 2022 was approximately HK\$25.9 million (31 December 2021: approximately HK\$35.3 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 2022 was approximately 25.5% (31 December 2021: approximately 33.2%).

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.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2022, there was no significant investment held by the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

The Group's plant and machinery with aggregate carrying amounts of approximately HK\$42.3 million and HK\$49.8 million and motor vehicles with an aggregate net book value of approximately HK\$Nil and HK\$0.1 million as at 30 June 2022 and 31 December 2021, respectively, were pledged under finance leases and bank borrowings.

As at 30 June 2022, the Group has pledged bank deposit of approximately HK\$2.9 million (31 December 2021: 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.

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. 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 2022, the Group did not have any significant capital commitments (31 December 2021: HK\$Nil).

Future Plans for Material Investments and Capital Assets

As at 30 June 2022, the Group did not have other plans for material investments and capital assets acquisition.

Material Acquisitions and Disposals

On 18 March 2022, the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Yummy Network. Yummy Network is 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 the PRC. The disposal was completed on 29 April 2022.

Employees and Remuneration Policy

As at 30 June 2022, the Group employed 13 full-time employees (not including our Directors) and 2 part-time employees (30 June 2021: 21 full-time employees and 4 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 2022 and 2021 amounted to approximately HK\$5.7 million and HK\$7.5 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

Use of Net Proceeds Raised by Placing Dated 10 December 2021

Due to the outbreak of the coronavirus pandemic, many countries/regions have imposed varying degrees of travel restrictions. As a result, our certain customers' business activities outside Hong Kong have been disrupted, leading to delays in their payments of the Group's trade receivables. This has impacted the Group's operating cash flow. The Directors consider that the placing can improve the cash position of the Group.

On 10 December 2021, the Company issued 100,000,000 ordinary shares (the "2021 Placing Share(s)") at an issue price of HK\$0.15 per share to not less than six placees who and whose ultimate beneficial owners are independent third parties. As a result, the Company received net proceeds of approximately HK\$14.6 million after deduction of related costs and expenses. The net placing price is approximately HK\$0.1458 per 2021 Placing Share and the aggregate nominal value of the 2021 Placing Shares is HK\$1,000,000. Such proceeds will be used as general working capital. The market price of the 2021 Placing Shares was HK\$0.1760 per share as quoted on the Stock Exchange on 22 November 2021, the date when the terms of the placing agreement were fixed. As at 30 June 2022, approximately HK\$9.9 million, or approximately 67.6%, of the net proceeds from the 2021 Placing Shares have been utilised. The Company intends to utilise such proceeds for general working capital purposes. Details of the 2021 Placing Shares are set out in the Company's announcements dated 22 November 2021 and 10 December 2021.

Use of Net Proceeds Raised by Placing Dated 21 March 2022

Due to the outbreak of the coronavirus pandemic, many countries/regions have imposed varying degrees of travel restrictions. As a result, our certain customers' business activities outside Hong Kong have been disrupted, leading to delays in their payments of the Group's trade receivables. This has impacted the Group's operating cash flow. The Directors consider that the placing can improve the cash position of the Group.

On 21 March 2022, the Company issued 44,000,000 ordinary shares (the "2022 Placing Share(s)") at an issue price of HK\$0.09 per share to not less than six placees who and whose ultimate beneficial owners are independent third parties. As a result, the Company received net proceeds of approximately HK\$3.8 million after deduction of related costs and expenses. The net placing price is approximately HK\$0.0858 per 2022 Placing Share and the aggregate nominal value of the 2022 Placing Shares is HK\$440,000. Such proceeds will be used for repayment of overdraft facility. The market price of the 2022 Placing Shares was HK\$0.108 per share as quoted on the Stock Exchange on 1 March 2022, the date when the terms of the placing agreement were fixed. As at 30 June 2022 the net proceeds from the 2022 Placing Shares was fully utilised. Details of the 2022 Placing Shares are set out in the Company's announcements dated 1 March 2022, 11 March 2022 and 21 March 2022.

Contingent Liabilities

As at 30 June 2022, the Group did not have material contingent liabilities (31 December 2021: 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 2022)

	Note	Three months ended 30 June		Six months ended 30 June	
		2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Continuing operations					
Revenue	3	5,264,339	8,635,933	13,959,825	16,705,511
Cost of sales and services		(3,127,710)	(3,508,598)	(5,714,229)	(6,849,302)
Gross profit		2,136,629	5,127,335	8,245,596	9,856,209
Net other income/(expenses)		25,677	(584,266)	(4,067,324)	(1,492,372)
Other operating expenses		(1,168,164)	(1,135,445)	(2,686,804)	(2,021,698)
Administrative expenses		(3,413,021)	(3,802,905)	(7,832,323)	(7,737,266)
Selling and distribution expenses		(373,495)	(353,735)	(711,849)	(932,801)
Finance costs		(338,205)	(413,283)	(776,612)	(854,392)
Loss before taxation	4	(3,130,579)	(1,162,299)	(7,829,316)	(3,182,320)
Income tax credit/(expenses)	5	204,886	(250,238)	(129,632)	(472,308)
Loss for the period from continuing operation		(2,925,693)	(1,412,537)	(7,958,948)	(3,654,628)
Discontinued operation					
Loss for the period from discontinued operation		—	(392,320)	(286,750)	(773,624)
Loss for the period		(2,925,693)	(1,804,857)	(8,245,698)	(4,428,252)
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		327	—	270	—
Total comprehensive expense for the period attributable to owners of the Company		(2,925,366)	(1,804,857)	(8,245,428)	(4,428,252)
Loss per share:					
Basic and diluted (HK\$ cents)	7				
— continuing operation		(0.34)	(0.20)	(0.94)	(0.51)
— discontinuing operation		—	(0.05)	(0.03)	(0.11)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2022)

	Note	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Non-current assets			
Plant and equipment	9	98,545,082	102,199,312
Right of use assets	9	697,229	950,767
		99,242,311	103,150,079
Current assets			
Inventories		1,235,480	6,934,566
Trade and other receivables	10	23,553,100	26,606,784
Pledged bank deposits		2,922,377	2,921,961
Bank balances and cash		10,837,419	14,312,604
		38,548,376	50,775,915
Current liabilities			
Trade and other payables	11	3,523,187	5,967,430
Borrowings — due within one year	12	9,283,880	10,494,712
Lease liabilities — current portion	14	510,440	496,221
Obligations under finance leases — due within one year	13	14,419,876	17,806,011
Bank overdrafts		1,509,120	6,016,460
		29,246,503	40,780,834
Net current assets		9,301,873	9,995,081
Total assets less current liabilities		108,544,184	113,145,160
Non-current liabilities			
Lease liabilities — non-current portion	14	199,000	457,825
Deferred tax liabilities		6,655,698	6,526,066
		6,854,698	6,983,891
Net assets		101,689,486	106,161,269
Capital and reserves			
Share capital	15	8,640,000	8,200,000
Reserves		93,049,486	97,961,269
Total equity		101,689,486	106,161,269

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(For the six months ended 30 June 2022)

	Issued capital HK\$	Share premium HK\$	Merger reserve HK\$ (Note i)	Exchange reserve HK\$	Retained profits (Accumulated losses) HK\$	Total HK\$
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
At 1 January 2022 (audited)	8,200,000	107,323,795	5,499,999	(72)	(14,862,453)	106,161,269
Loss for the period	—	—	—	—	(8,245,698)	(8,245,698)
Other comprehensive income	—	—	—	270	—	270
Total comprehensive expenses for the period	—	—	—	270	(8,245,698)	(8,245,428)
Arising from disposal of subsidiaries	—	—	—	(198)	—	(198)
Issue of shares by share placing (Note 15)	440,000	3,520,000	—	—	—	3,960,000
Transaction costs directly attributable to issue of shares upon placing	—	(186,157)	—	—	—	(186,157)
At 30 June 2022 (unaudited)	8,640,000	110,657,638	5,499,999	—	(23,108,151)	101,689,486

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 of the Company date 27 June 2019 (the "Prospectus")).



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(For the six months ended 30 June 2022)

	Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Net cash generated from/(used in) operating activities	3,478,038	(7,323,170)
Investing activities		
Purchase of plant and equipment	(557,370)	(3,646,708)
Proceeds from disposal of plant and equipment	1,000	13,797,929
Net cash outflow from disposal of subsidiaries	(45,538)	—
Other cash flow arising from investing activities	97	578
Net cash (used in)/generated from investing activities	(601,811)	10,151,799
Financing activities		
Interest paid	(752,466)	(845,076)
New borrowings raised	—	11,890,600
Repayment of borrowings	(1,210,832)	(10,000,000)
Repayment of obligations under finance leases	(3,386,135)	(3,258,605)
Proceed from issue of shares	3,960,000	—
Transaction costs attributable to issue of shares	(186,157)	—
Repayment of lease liabilities	(268,752)	(320,622)
Net cash used in financing activities	(1,844,342)	(2,533,703)
Net increase in cash and cash equivalents	1,031,885	294,926
Cash and cash equivalents at 1 January	8,296,144	(4,877,157)
Effect of foreign exchange rate changes	270	—
Cash and cash equivalents at 30 June	9,328,299	(4,582,231)
Cash and cash equivalents at end of the periods represented by		
Bank balances and cash	10,837,419	2,776,663
Bank overdrafts	(1,509,120)	(7,358,894)
	9,328,299	(4,582,231)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)



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 2022 and 2021 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 2021.

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 2021, 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 2022)

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

Continuing operations

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	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Disaggregated by major products of service lines				
— General sales	—	27,760	—	27,760
— Transportation and other service income	46,411	11,250	106,411	25,750
	46,411	39,010	106,411	53,510
Revenue from other sources				
— Plant hire income	5,217,928	8,596,923	13,853,414	16,652,001
	5,264,339	8,635,933	13,959,825	16,705,511
Disaggregated by geographical location of customers				
— Hong Kong	975,795	8,635,933	4,280,011	16,705,511
— Macau	4,288,544	—	9,679,814	—
	5,264,339	8,635,933	13,959,825	16,705,511

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information

Continuing operation

For the six months ended 30 June 2022

	Plant hire income HK\$ (Unaudited)	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue				
Segment revenue from external customers	13,853,414	—	106,411	13,959,825
Revenue recognition				
As a point in time under HKFRS 15	—	—	106,411	106,411
Under HKFRS 16	13,853,414	—	—	13,853,414
	13,853,414	—	106,411	13,959,825
Results				
Segment results	5,671,037	—	(112,645)	5,558,392
Loss on disposal of subsidiaries				(4,067,002)
Loss on disposal of plant and equipment				(2,160)
Unallocated income				1,838
Unallocated expense				(9,320,384)
Loss before taxation				(7,829,316)



NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information (Continued)

Continuing operation (Continued)

For the six months ended 30 June 2021

	Plant hire income HK\$ (Unaudited)	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue				
Segment revenue from external customers	16,652,001	27,760	25,750	16,705,511
Revenue recognition				
As a point in time under HKFRS 15	—	27,760	25,750	53,510
Under HKFRS 16	16,652,001	—	—	16,652,001
	16,652,001	27,760	25,750	16,705,511
Results				
Segment results	7,774,612	13,121	12,678	7,800,411
Loss on disposal of plant and equipment				(1,520,802)
Unallocated income				28,430
Unallocated expense				(9,490,359)
Loss before taxation				(3,182,320)

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

No segment assets and liabilities are presented as the information is not regularly reported to the chief operating decision marker for the purpose of resources allocation and assessment of performance.

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

4. LOSS BEFORE TAXATION

Loss before taxation from continuing operations is arrived at after charging/(crediting):

(a) Net other (income)/expenses

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Interest income	(306)	(66)	(513)	(216)
Loss on disposal of plant and equipment	2,160	581,123	2,160	1,520,802
Loss on disposal of subsidiaries	4,067,002	—	4,067,002	—
Impairment loss on assets held for sales	(4,095,565)	—	—	—
Others	1,032	3,209	(1,325)	(28,214)
	(25,677)	584,266	4,067,324	1,492,372

(b) Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Interest on bank borrowings	141,049	58,812	288,795	162,964
Interest on bank overdrafts	16,107	84,873	96,648	160,219
Interest on finance leases	169,840	265,801	367,023	521,893
Interest on lease liabilities	11,209	3,797	24,146	9,316
	338,205	413,283	776,612	854,392

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

4. LOSS BEFORE TAXATION (CONTINUED)

(c) Other items

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Cost of general sales	—	14,639	—	14,639
Depreciation on plant and equipment				
— owned assets	1,530,302	1,585,646	3,052,498	3,437,436
— assets held under finance lease	563,614	506,036	1,132,828	951,217
Depreciation on right of use assets	126,769	153,144	253,538	306,288
Repairs and maintenance expense	990,671	946,052	2,167,590	1,478,655
Short term operating lease rentals				
in respect of rented premises	138,896	531,351	301,616	1,068,466
(Reversal of)/Allowance for expected credit losses ("ECL")				
on trade receivable	(54,200)	33,400	400	34,100

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 from continuing operations represents:

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Current tax				
Hong Kong profit tax	—	—	—	—
Deferred taxation	(204,886)	250,238	129,632	472,308
	(204,886)	250,238	129,632	472,308

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 2022 and 2021, 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 2022)

7. DISCONTINUED OPERATIONS

On 18 March 2022, the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Yummy Network Technology Company Limited (“Yummy Network”). Yummy Network is 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 the PRC. The disposal was completed on 29 April 2022.

The results from the discontinued operation is set out below. The comparative figure in the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the general sales from trading of electronic and household products segment as a discontinued operation.

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Revenue	—	54,212,399	59,194	135,448,829
Cost of sales	—	(53,978,873)	(51,837)	(135,123,013)
Gross profit	—	233,526	7,357	325,816
Net other expenses	—	(22,021)	(9)	(32,573)
Administrative expenses	—	(603,825)	(294,098)	(1,066,867)
Loss before taxation	—	(392,320)	(286,750)	(773,624)
Income tax expenses	—	—	—	—
Loss for the period attributable to owners of the Company	—	(392,320)	(286,750)	(773,624)
Loss on disposal	(4,095,565)	—	(4,095,565)	—
Loss for the period from the discontinued operation	(4,095,565)	(392,320)	(4,382,315)	(773,624)



NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

7. DISCONTINUED OPERATIONS (CONTINUED)

The assets and liabilities disposed of at disposal date is disclosed below:

	HK\$ (Unaudited)
Plant and equipment	22,135
Inventories	5,647,250
Trade and other receivable	5,596,790
Bank balances and cash	2,065,648
Accrual and other payable	(936,258)
Net assets disposed of	12,395,565
Loss on disposal	(4,095,565)
Consideration	8,300,000
Satisfied by:	
Cash	8,300,000

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	HK\$ (Unaudited)
Cash consideration	8,300,000
Cash consideration receivable	(6,300,000)
Bank balances and cash disposed of	(2,065,648)
	(65,648)

Cash generated from discontinued operations:

	Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Net cash from/(used in) operating activities	1,810,924	(13,292,511)
Net cash from investing activities	9	572
Net cash inflow/(outflow) for the period	1,810,933	(13,291,939)

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

8. BASIC AND DILUTED LOSS PER SHARE

From continuing operations

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

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Loss				
Loss for the period attributable to owners of the Company for the purpose of basic earnings per share	(2,952,693)	(1,412,537)	(7,958,948)	(3,654,628)
Number of shares				
Issued ordinary shares (weighted average number of ordinary shares for purpose of basic loss per share)	864,000,000	720,000,000	844,795,580	720,000,000
Basic loss per share (HK\$ cents)	(0.34)	(0.20)	(0.94)	(0.51)

From discontinued operations

The calculation of the basic loss per share attributable to owner of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Loss for the period attributable to owners of the Company	—	(392,390)	(286,750)	(773,624)

The denominators used are the same as those set out above for the continuing operations.

No diluted loss per share for the six months ended 30 June 2022 and 2021 were presented as there were no potential dilutive ordinary shares in issue during the period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

9. CAPITAL EXPENDITURES

During the six months ended 30 June 2022, the Group acquired plant and equipment for a total cost of approximately HK\$0.6 million (six months ended 30 June 2021: approximately HK\$3.6 million). Items of plant and equipment with a carrying amount of approximately HK\$3,000 were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: approximately HK\$15.3 million), resulting in a loss on disposal of approximately HK\$2,000 (six months ended 30 June 2021: approximately HK\$1.5 million).

During the six months ended 30 June 2022 and 2021, the Group did not enter into any lease agreement which is required to recognise as right of use asset.

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Trade receivables	23,546,151	41,925,065
Less: Allowance for ECL on trade receivables	(7,272,195)	(16,764,745)
	16,273,956	25,160,320
Rental and utilities deposits paid	266,265	296,999
Consideration receivable	6,300,000	—
Prepayments	712,879	636,835
Other receivables	—	512,630
	23,553,100	26,606,784

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 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Within 30 days	742,392	3,937,700
31 - 60 days	1,790,302	3,087,223
61 - 90 days	2,013,445	1,532,693
91 - 120 days	2,158,015	1,740,485
121 - 365 days	9,569,802	14,862,219
	16,273,956	25,160,320

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Balance at the beginning of the year	25,160,320	34,313,063
Balance at the end of the year	16,273,956	25,160,320

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 2022 and 31 December 2021, included in the Group's trade receivable balances were debtors with an aggregate carrying amount of approximately HK\$15,550,190 and HK\$23,113,242, 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 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Over due:		
Within 30 days	1,808,828	4,861,153
31-60 days	2,004,000	1,913,785
61-90 days	2,167,560	1,740,485
91-120 days	2,694,186	1,317,646
121-365 days	6,875,616	13,280,173
	15,550,190	23,113,242

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 2022 and 31 December 2021, 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 2022)

11. TRADE AND OTHER PAYABLES

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Trade payables	1,934,485	2,717,050
Contract liabilities (Note a)	15,484	15,484
Accrued expenses	1,563,218	3,224,896
Deposits and temporary received	10,000	10,000
	3,523,187	5,967,430

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

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Within 30 days	787,025	127,924
30 - 60 days	116,793	1,783,257
61 - 90 days	150,000	294,202
Over 90 days	880,667	511,667
	1,934,485	2,717,050

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.

12. BORROWINGS

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Secured bank borrowings	9,283,880	10,494,712

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

12. BORROWINGS (CONTINUED)

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Borrowings that contain a repayable on demand clause:		
Within one year	3,114,831	2,961,997
More than one year, but not more than two years	3,303,848	3,142,952
More than two year, but not more than five years	2,865,201	4,389,763
	9,283,880	10,494,712
Less: Amounts due within one year shown under current liabilities	(9,283,880)	(10,494,712)
Amounts shown under non-current liabilities	—	—

As at 30 June 2022 and 31 December 2021, the Group's borrowings are secured by the plant and equipment with carrying amounts of approximately HK\$15.3 million and HK\$15.6 million respectively.

13. OBLIGATIONS UNDER FINANCE LEASES

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	14,419,876	17,806,011
Non-current liabilities	—	—
	14,419,876	17,806,011

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\$5.8 million and HK\$9.4 million have been reclassified from non-current liabilities to current liabilities as at 30 June 2022 and 31 December 2021 respectively.



NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

13. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

	Minimum lease payments		Present value of minimum lease payments	
	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Within one year or contain a repayable on demand clause	15,063,664	18,748,932	14,419,876	17,806,011
In the second to fifth year inclusive	—	—	—	—
	15,063,664	18,748,932	14,419,876	17,806,011
Less: Future finance charges	(643,788)	(942,921)	—	—
Present value of finance lease obligations	14,419,876	17,806,011	14,419,876	17,806,011
Less: carrying amounts that are due for settlement within twelve months or contain a repayable on demand clause (shown under current liabilities)			(14,419,876)	(17,806,011)
Amount due shown under non-current liabilities			—	—

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 2022 and 31 December 2021 ranged from 4 to 5 years.

As at 30 June 2022 and 31 December 2021, the Group's borrowings, bank overdrafts and obligations under finance leases are secured and guaranteed by:

- the leased assets;
- plant and equipment of the Group of approximately HK\$15.3 million (31 December 2021: HK\$15.6 million); and
- pledged deposits of the Group of approximately HK\$2.9 million (31 December 2021: HK\$2.9 million).

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

14. LEASE LIABILITIES

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	510,440	496,221
Non-current liabilities	199,000	457,825
	709,440	954,046

The average lease term entered by the Group for the obligation under obligating leases as at 30 June 2022 and 31 December 2021 were 3 years.

	Minimum lease payments		Present value of minimum lease payments	
	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Amounts payable under obligating leases				
Within one year	537,504	537,504	510,440	496,221
More than one year but less than five years	201,564	470,316	199,000	457,825
	739,068	1,007,820	709,440	954,046
Less: future finance charges	(29,628)	(53,774)	—	—
Present value of obligation under obligating leases	709,440	954,046	709,440	954,046
Less: carrying amounts that due for settlement within twelve months			(510,440)	(496,221)
Amount due for settlement after twelve months			199,000	457,825



NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

15. SHARE CAPITAL

	30 June 2022		31 December 2021	
	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 ordinary shares at HK\$0.01 per share:				
At beginning of period/year	820,000,000	8,200,000	720,000,000	7,200,000
Issue of shares under the placing (note a and b)	44,000,000	440,000	100,000,000	1,000,000
At end of period/year	864,000,000	8,640,000	820,000,000	8,200,000

Note:

- (a) On 10 December 2021, the Company issued 100,000,000 ordinary shares under general mandate through a placement. The aggregate gross proceeds from the placing was HK\$15,000,000 and aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing was HK\$14,629,770. The share capital has increased by HK\$1,000,000, while HK\$13,629,770 were credited to share premium.
- (b) On 21 March 2022, the Company issued 44,000,000 ordinary shares under general mandate through placement. The aggregate gross proceeds from the placing were HK\$3,960,000 and the aggregate net proceeds (after deducting all applicable costs and expenses, including commission and legal fees) from the placing was approximately HK\$3,773,843. The share capital has increased by HK\$440,000, while approximately HK\$3,333,843 were credited to share premium.

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2022)

16. DISPOSAL OF SUBSIDIARIES

On 19 May 2022, the Company entered into a sales and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in WS Group Limited and its subsidiary (collectively referred as the “WS Group”), the disposal was completed on the same date. WS Group is engaged in investment holdings.

	HK\$ (Unaudited)
Net liabilities disposed of:	
Accrual and other payable	(8,255)
	(8,255)
Reclassification of cumulative exchange reserve to profit or loss upon disposal	(198)
Gain on disposal	28,563
	20,110
Consideration	20,110
Satisfied by:	
Cash	20,110
	20,110

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	HK\$ (Unaudited)
Cash consideration	20,110
Bank balances and cash disposed of	—
	20,110



NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

17. OPERATING LEASE COMMITMENTS

Operating lease commitments

The Group as lessee

As at 30 June 2022 and 31 December 2021, the Group had contracted for the following future minimum lease payments under non-cancellable operating lease which fall due as follows:

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Within one year	537,504	216,000
In the second to fifth year inclusive	201,564	—
	739,068	216,000

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

The Group as lessor

Income earned from leasing of machinery during the six months ended 30 June 2022 is HK\$13,853,414 (six months ended 30 June 2021: HK\$16,652,001). Leases are negotiated on a monthly basis.

As at 30 June 2022 and 31 December 2021, the Group had contracted with customers for the following future minimum lease payments:

	At 30 June 2022 HK\$ (Unaudited)	At 31 December 2021 HK\$ (Audited)
Within one year	276,923	691,323

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2022)

18. 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	
	2022 HK\$ (Unaudited)	2021 HK\$ (Unaudited)
Short-term employee benefits (note 1)	1,302,143	1,495,150
Post-employment benefits	—	—
	1,302,143	1,495,150

Note:

- (1) It included benefit in kind which represented the payment for settlement of lease liabilities of directors' quarter of approximately HK\$nil (six months ended 30 June 2021: approximately HK\$189,000).



OTHER INFORMATION

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: HK\$Nil).

Purchase, Sale or Redemption of the Listed Securities

During the six months ended 30 June 2022, 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 2022.

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 2022, 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)	30.38%

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 2022, 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 2022, 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)	30.38%
Wen Qingrui	Beneficial owner	102,400,000	11.85%

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 2022, 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 and Debentures

Save as disclosed in the heading “Directors’ and Chief Executives’ Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations” and “Share Option Scheme” above, at no time during the six months ended 30 June 2022 was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or 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 2022.

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 2022.

Competing Interests

During the six months ended 30 June 2022, 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 2022, 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 C.2.1 and F.1.1.

Code Provision C.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 F.1.1, 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.

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. Chim Tak Lai, Mr. Lee Tak Fai Thomas 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 2022.



OTHER INFORMATION

The condensed consolidated financial results of the Group for the six months ended 30 June 2022 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, 9 August 2022

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. Chim Tak Lai, Mr. Lee Tak Fai Thomas 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.