

WORLD SUPER HOLDINGS LIMITED

維亮控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8612



2023

INTERIM REPORT

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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This report, for which the directors (the “Director(s)”) of World Super Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.



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CORPORATE INFORMATION

As at reporting date

BOARD OF DIRECTORS

Executive Directors

SOU Peng Kan Albert (*Chairman*)
LAU Lawrence Tak Sun
LIN Dongsheng
ZHANG Wei (appointed on 23 June 2023)
CHAN Lok Yin (appointed on 30 June 2023)

Independent Non-executive Directors

CHIM Tak Lai
LEE Tak Fai Thomas
DU Min (appointed on 3 August 2023)

COMPLIANCE OFFICER

SOU Peng Kan Albert

AUTHORISED REPRESENTATIVES

SOU Peng Kan Albert
CHAN Lok Yin (appointed on 30 June 2023)

COMPANY SECRETARY

CHAN Lok Yin

AUDIT COMMITTEE

LEE Tak Fai Thomas (*Chairman*)
CHIM Tak Lai
DU Min (appointed on 3 August 2023)

REMUNERATION COMMITTEE

CHIM Tak Lai (*Chairman*)
SOU Peng Kan Albert
ZHANG Wei
LEE Tak Fai Thomas
DU Min (appointed on 3 August 2023)

NOMINATION COMMITTEE

SOU Peng Kan Albert (*Chairman*)
CHIM Tak Lai
LEE Tak Fai Thomas
LIN Dongsheng
DU Min (appointed on 3 August 2023)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3403, 34/F., AIA Tower
183 Electric Road, North Point
Hong Kong

AUDITOR

Confucius International CPA Limited
Certified Public Accountants
Rooms 1501–08, 15/F., Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

LEGAL ADVISER

Yick & Chan, Solicitors
Suite A1, 11/F, One Capital Place
18 Luard Road, Wanchai
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

COMPANY WEBSITE

www.worldsuperhk.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17 Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

8612

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of World Super Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), I would like to present to the shareholders of the Company (the "Shareholders"), the interim report of the Group for the period ended 30 June 2023 (the "Reporting Period").

The Board is of the view that with the gradual decline in COVID-19 cases and increased uptake of vaccination in Hong Kong and abroad, there are hopeful signs of a steady recovery in the long term development of construction and foundation industry in Hong Kong. The Group will be prudent in tendering potential project while future strategy will depend on the evolvement of the pandemic. Meanwhile, in order to maintain a stable and sustainable development of the Group's existing businesses as well as diversifying and expanding the Group's businesses at the same time, the Company will leverage on its industrial experience and the advantage of its existing resources and talented team to seek cooperation and investment opportunities with high-quality companies in the emerging industries.

On behalf of the Board, I would like to take this opportunity to express my deepest gratitude to our Shareholders and business partners for their continued support, and to our management and staff members for their commitment and contribution to the growth of the Group.

World Super Holdings Limited

SOU Peng Kan Albert

Chairman

Hong Kong, 14 August 2023

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 2023, together with the comparative figures for the corresponding period in 2022 as follows:

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	
Revenue	10,663,824	13,959,825	(23.6)%
Gross profit	2,743,264	8,245,596	(66.7)%
Loss for the period	(10,037,162)	(8,245,698)	21.7%
Loss for the period (excluding gain or loss on disposal of plant and equipment and loss on disposal of subsidiaries)	(8,612,779)	(4,176,536)	106.2%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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; (v) provision of money lending services; and (vi) provision of foundation construction.

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\$13.9 million for the six months ended 30 June 2022 to approximately HK\$7.3 million for the six months ended 30 June 2023. The decrease is due to decrease in demand in plant hire from owned rental fleet for the six months ended 30 June 2023.

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 increased from approximately HK\$Nil for the six months ended 30 June 2022 to approximately HK\$117,000 for the six months ended 30 June 2023. The increase is mainly due to increase in demand in general sales from trading of machinery, tools and parts for the six months ended 30 June 2023.

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\$84,000 for the six months ended 30 June 2022 to approximately HK\$654,000 for the six months ended 30 June 2023. 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 2023, no revenue was generated from the foundation works and ancillary services business (six months ended 30 June 2022: HK\$Nil).

Foundation construction

During the Reporting Period, the foundation construction undertaken by the Group mainly consisted of the construction of socketed H-piles, mini piles, soldier piles, pipe piles and king posts. The Group undertook foundation construction projects in mainly in the public sector and private sector.

Revenue from the foundation works contributed approximately HK\$2.4 million during the six month ended 30 June 2023 (six months ended 30 June 2022: N/A).

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).

Major terms of loans granted

Under the Group's money lending business for the Reporting Period, the Group offered a credit period of 12 months (six months ended 30 June 2022: nil) for the loan to its corporate customer with interest rate of 18% p.a. (six months ended 30 June 2022: nil) secured by personal guarantee.

World Super Capital Limited is capable of granting loan financing services to both corporate and individual clients with greater flexibility compared to licensed banks and was established to generate interest income by providing loan financing services in Hong Kong. The Group's money lending business is primarily financed through internal resources.

MANAGEMENT DISCUSSION AND ANALYSIS

Credit assessment policy

Loan applications are evaluated and processed on a case-by-case basis, with each application assessed based on its individual merit. Prior to granting loans, the management conducts a financial background and credit check procedure.

Loan interest income

For the six month ended 30 June 2023, the total loan interest income from the Group's money lending business was approximately HK\$150,000 (six months ended 30 June 2022: HK\$Nil).

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 2023, HK\$150,000 revenue was generated from the money lending business (six months ended 30 June 2022: HK\$Nil). The increase is mainly due to increase in money lending business.

Prospects

The Board acknowledges the positive developments in the COVID-19 situation, including the gradual decline in cases and increased vaccination rates in Hong Kong and globally. These factors provide hopeful signs for the long-term recovery of the construction and foundation industry in Hong Kong.

In light of these trends, the Group will approach potential project tenders with prudence, taking into consideration the evolving nature of the pandemic. Our future strategy will be contingent upon the progress of the pandemic and its impact on the industry.

Simultaneously, we remain committed to maintaining the stable and sustainable development of our existing businesses. In addition, we aim to diversify and expand our business portfolio. Leveraging our extensive industrial experience, existing resources, and talented team, we will actively seek collaboration and investment opportunities with high-quality companies in emerging industries.

By capitalizing on these strengths, we aim to position the Company for continued growth and success in both our core sectors.

The Group will proactively explore new opportunities to benefit the Company and its shareholders as a whole in long run.

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\$14.0 million for the six months ended 30 June 2022 to approximately HK\$10.7 million for the six months ended 30 June 2023, representing a decrease of approximately 23.6% 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 2023, the Group's cost of sales and services amount to approximately HK\$7.9 million (six months ended 30 June 2022: approximately HK\$5.7 million). The increase in cost of sales and services was mainly due to increased in the cost of services from foundation construction segment.

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 decreased from approximately HK\$4.1 million for the six months ended 30 June 2022 to approximately HK\$1.4 million for the six months ended 30 June 2023, which was mainly due to the absent of loss on disposal of subsidiaries for the six months ended 30 June 2023 (six months ended 30 June 2022: loss of approximately HK\$4.1 million).

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 2023, the Group's administrative expenses amounted to approximately HK\$8.4 million (six months ended 30 June 2022: approximately HK\$7.8 million). The increment is mainly due to the increase in staff cost and other administrative expenses.

Taxation

The Group recorded income tax credit of approximately HK\$0.5 million for the six months ended 30 June 2023 (six months ended 30 June 2022: expense of approximately HK\$0.1 million), which mainly represent the reversal of deferred tax liabilities for the six months ended 30 June 2023.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the Period

The Group's net loss increased from approximately HK\$8.2 million for the six months ended 30 June 2022 to approximately HK\$10.0 million for the six months ended 30 June 2023 as a result of the foregoing factors.

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.

As at 30 June 2023, the Group had bank balances and cash of approximately HK\$7.0 million (31 December 2022: approximately HK\$9.8 million) and pledged bank deposits of approximately HK\$2.9 million (31 December 2022: 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 2023 was approximately HK\$6.2 million (31 December 2022: approximately HK\$7.8 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 2023 was approximately 20.4% (31 December 2022: approximately 27.1%).

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 2023, there was no significant investment held by the Group.

PLEDGE OF ASSETS

The Group's plant and machinery with aggregate carrying amounts of approximately HK\$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 2023 and 31 December 2022, respectively, were pledged under finance leases and bank borrowings.

As at 30 June 2023, the Group has pledged bank deposit of approximately HK\$2.9 million (31 December 2022: 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 2023, the Group did not have any significant capital commitments (31 December 2022: HK\$Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2023, the Group did not have other plans for material investments and capital assets acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

On 4 May 2023 (after trading hours), World Super Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company, entered into the Sales Agreement with the Purchaser pursuant to which World Super Limited has agreed to sell, and Best Wood Machine Leasing Co. Limited, a company incorporated in Hong Kong with limited liability and is directly and wholly owned by Mr. Ng Wai Man, has agreed to purchase, the Machineries at a total consideration of approximately HK\$10.0 million. For details, please refer the announcement dated 4 May 2023. Except for disclosed, the Group did not have any material acquisition or disposal of subsidiaries and affiliated companies during the six months ended 30 June 2023.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group employed 15 full-time employees (not including our Directors) and 2 part-time employees (30 June 2022: 13 full-time employees and 2 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 2023 and 2022 amounted to approximately HK\$5.5 million and HK\$5.7 million respectively. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences.

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 2023, 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 2023 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.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the information disclosed in the section headed “Use of Proceeds” in the 2022 Annual Report, the board of directors of the Company (the “Board”) would like to provide additional information pursuant to Rule 18.32(8) and 18.32A of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to the use of proceeds raised in the placing of 100,000,000 shares of the Company (the “Shares”) completed on 10 December 2021 (the “2021 Placing”) and the placing of 44,000,000 Shares completed on 21 March 2022 (the “2022 Placing”) as follow:

2021 Placing

Use of proceeds	Net proceeds raised from the 2021 Placing HK\$ million (approximately)	Amount utilised during the year ended 31 December 2021 HK\$ million (approximately)	Unutilised proceeds brought forward to the year ended 31 December 2022 HK\$ million (approximately)	Amount utilised during the year ended 31 December 2022 HK\$ million (approximately)	Unutilised amount as at 31 December 2022 HK\$ million (approximately)
General working capital	14.6	1.2	13.4	13.4	Nil

2022 Placing

Use of proceeds	Net proceeds raised from the 2022 Placing HK\$ million (approximately)	Amount utilised during the year ended 31 December 2022 HK\$ million (approximately)	Unutilised amount as at 31 December 2022 HK\$ million (approximately)	
Repayment of overdraft facility		3.8	3.8	Nil

The Board confirmed that the proceeds were used according to the intentions previously disclosed by the Company. The Board also confirmed that the above supplemental information does not affect other information contained in the 2022 Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have material contingent liabilities (31 December 2022: HK\$Nil).

EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 June 2023 and up to the date of this report, there was no other significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

LITIGATIONS

As at 30 June 2023, the Group had no material pending litigation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposures are summarised as follows:

- (i) The Group has a concentrated clientele base. Any loss for major customers or decrease in the number of projects with the major customers of the Group may adversely affect the Group's operations and financial results.
- (ii) The Group's past revenue and profit margin may not be an indicative of the Group's future revenue and profit margin. In particular, the Group's revenue is on project basis, which is non-recurrent in nature, and the Group may achieve lower-than expected revenue if it fails to maintain continuity of the Group's order book for its new foundation construction projects.
- (iii) The Group is dependent on its Board members and senior management staff, the departure of its staff may adversely affect the Group's business operations.
- (iv) Failure to accurately estimate and control the costs of the Group's projects may adversely affect the Group's financial performance.
- (v) Any delay or default of progress payments or retention monies by the customers may affect the Group's cash flow and may have adverse impact on the Group's financial results.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operation are mainly carried out by the Company's subsidiaries in Hong Kong while the Company itself is a holding company. Our operations accordingly shall comply with the relevant laws and regulations in Hong Kong. During the Reporting Period and up to the date of this report, there is no material non-compliance with the relevant prevailing laws and regulations by the Group.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.10(2) of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its Memorandum and Articles of Association. During the year ended 30 June 2023, there had not been any changes in the Company's constitutional documents except for the announcement dated 18 May 2023 "SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION".

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2023)

	Note	Three months ended 30 June		Six months ended 30 June	
		2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Continuing operations					
Revenue	3	4,446,971	5,264,339	10,663,824	13,959,825
Cost of sales and services		(3,244,302)	(3,127,710)	(7,920,560)	(5,714,229)
Gross profit		1,202,669	2,136,629	2,743,264	8,245,596
Net other income/(expenses)		(150,194)	25,677	(1,406,718)	(4,067,324)
Other operating expenses		(705,283)	(1,168,164)	(1,376,010)	(2,686,804)
Impairment/(reversal of) losses under expected credit loss model, net of reversal		(545,453)	54,200	(1,035,972)	(400)
Administrative expenses		(4,022,267)	(3,467,221)	(8,358,649)	(7,831,923)
Selling and distribution expenses		(317,131)	(373,495)	(622,106)	(711,849)
Finance costs		(240,088)	(338,205)	(512,402)	(776,612)
Loss before taxation	4	(4,777,747)	(3,130,579)	(10,568,593)	(7,829,316)
Income tax credit/(expenses)	5	218,680	204,886	531,431	(129,632)
Loss for the period from continuing operation		(4,559,067)	(2,925,693)	(10,037,162)	(7,958,948)
Discontinued operation					
Loss for the period from discontinued operation		–	–	–	(286,750)
Loss for the period		(4,559,067)	(2,925,693)	(10,037,162)	(8,245,698)
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		(4,559,067)	(2,925,366)	(10,037,162)	(8,245,428)
Loss per share:					
Basic and diluted (HK\$ cents)	8				
– continuing operation		(0.53)	(0.34)	(1.16)	(0.94)
– discontinuing operation		–	–	–	(0.03)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2023)

	Note	At 30 June 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Non-current assets			
Plant and equipment	9	59,777,115	71,086,979
Right of use assets	9	190,153	443,691
		59,967,268	71,530,670
Current assets			
Inventories		992,467	992,467
Loan receivables and interest receivables		3,060,000	–
Trade and other receivables	10	14,610,258	16,848,535
Pledged bank deposits		2,927,522	2,923,146
Bank balances and cash		6,981,597	9,804,156
		28,571,844	30,568,304
Current liabilities			
Trade and other payables	11	6,975,007	2,812,841
Borrowings – due within one year		6,180,014	7,751,651
Lease liabilities – current portion		199,610	457,824
Obligations under finance leases – due within one year		5,851,661	10,155,452
Bank overdrafts		1,321,638	2,341,431
		20,527,930	23,519,199
Net current assets		8,043,914	7,049,105
Total assets less current liabilities		68,011,182	78,579,775
Non-current liabilities			
Lease liabilities – non-current portion		–	–
Deferred tax liabilities		1,628,600	2,160,031
		1,628,600	2,160,031
Net assets		66,382,582	76,419,744
Capital and reserves			
Share capital	12	8,640,000	8,640,000
Reserves		57,742,582	67,779,744
Total equity		66,382,582	76,419,744

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(For the six months ended 30 June 2023)

	Issued capital HK\$	Share premium HK\$	Merger reserve HK\$ (Note i)	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$
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	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
At 1 January 2023 (audited)	8,640,000	110,657,638	5,499,999	–	(48,377,893)	76,419,744
Total comprehensive expenses for the period	–	–	–	–	(10,037,162)	(10,037,162)
At 30 June 2023 (unaudited)	8,640,000	110,657,638	5,499,999	–	(58,415,055)	66,382,582

Note:

- (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 STATEMENT OF CASH FLOWS

(For the six months ended 30 June 2023)

	Six months ended 30 June	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Net cash (used in)/generated from operating activities	(1,793,740)	3,478,038
Net cash from/(used in) investing activities	6,637,018	(601,811)
Net cash used in financing activities	(6,646,044)	(1,844,342)
Net (decrease)/increase in cash and cash equivalents	(1,802,766)	1,031,885
Cash and cash equivalents at 1 January	7,462,725	8,296,144
Effect of foreign exchange rate changes	–	270
Cash and cash equivalents at 30 June	5,659,959	9,328,299
Cash and cash equivalents at end of the periods represented by		
Bank balances and cash	6,981,597	10,837,419
Bank overdrafts	(1,321,638)	(1,509,120)
	5,659,959	9,328,299

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

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 2023 and 2022 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 2022.

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 2022, 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 2023)

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Disaggregated by major products of service lines				
– General sales	176,115	–	176,115	–
– Construction services income	472,040	–	2,394,153	–
– Transportation and other service income	83,900	46,411	653,900	106,411
	732,055	46,411	3,224,168	106,411
Revenue from other sources				
– Plant hire income	3,579,916	5,217,928	7,289,656	13,853,414
– Loan interest income	135,000	–	150,000	–
	3,714,916	5,217,928	7,439,656	13,853,414
	4,446,971	5,264,339	10,663,824	13,959,825
Disaggregated by geographical location of customers				
– Hong Kong	4,446,971	975,795	10,663,824	4,280,011
– Macau	–	4,288,544	–	9,679,814
	4,446,971	5,264,339	10,663,824	13,959,825

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2023)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information

Continuing operation

For the six months ended 30 June 2023

	Plant hire income HK\$ (Unaudited)	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	Construction services income HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue					
Segment revenue from external customers	7,289,656	176,115	2,394,153	803,900	10,663,824
Revenue recognition					
As a point in time under HKFRS 15	–	176,115	–	653,900	830,015
Over time under HKFRS 15	–	–	2,394,153	–	2,394,153
Under HKFRS 16	7,289,656	–	–	–	7,289,656
Other source – loan interest income	–	–	–	150,000	150,000
	7,289,656	176,115	2,394,153	803,900	10,663,824
Results					
Segment results	434,634	17,657	(307,918)	186,909	331,282
Loss on disposal of plant and equipment					(1,424,383)
Unallocated income					17,665
Unallocated expense					(9,493,157)
Loss before taxation					(10,568,593)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

3. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment information (Continued)

Continuing operation (Continued)

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)

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 2023)

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Interest income	(8,012)	(306)	(17,541)	(513)
Loss on disposal of plant and equipment	158,334	2,160	1,424,383	2,160
Loss on disposal of subsidiaries	–	4,067,002	–	4,067,002
Impairment loss on assets held for sales	–	(4,095,565)	–	–
Others	(128)	1,032	(124)	(1,325)
	150,194	(25,677)	1,406,718	4,067,324

(b) Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Interest on bank borrowings	106,718	141,049	223,769	288,795
Interest on bank overdrafts	37,000	16,107	68,598	96,648
Interest on finance leases	91,709	169,840	209,497	367,023
Interest on lease liabilities	4,661	11,209	10,538	24,146
	240,088	338,205	512,402	776,612

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

4. LOSS BEFORE TAXATION (CONTINUED)

(c) Other items

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Cost of general sales	158,458	–	158,458	–
Depreciation on plant and equipment				
– owned assets	987,554	1,530,302	2,204,283	3,052,498
– assets held under finance lease	530,659	563,614	1,061,319	1,132,828
Depreciation on right of use assets	126,769	126,769	253,538	253,538
Repairs and maintenance expense	531,984	990,671	935,536	2,167,590
Short term operating lease rentals in respect of rented premises	665,605	138,896	1,325,960	301,616
(Reversal of)/allowance for expected credit losses (“ECL”) on trade receivable	545,453	(54,200)	1,035,972	400

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Current tax				
– Hong Kong profit tax	–	–	–	–
Deferred taxation	(218,680)	(204,886)	(531,431)	129,632
	(218,680)	(204,886)	(531,431)	129,632

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

6. DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Revenue	–	–	–	59,194
Cost of sales	–	–	–	(51,837)
Gross profit	–	–	–	7,357
Net other expenses	–	–	–	(9)
Administrative expenses	–	–	–	(294,098)
Loss before taxation	–	–	–	(286,750)
Income tax expenses	–	–	–	–
Loss for the period attributable to owners of the Company	–	–	–	(286,750)
Loss on disposal	–	(4,095,565)	–	(4,095,565)
Loss for the period from the discontinued operation	–	(4,095,565)	–	(4,382,315)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Net cash from/(used in) operating activities	–	1,810,924
Net cash from investing activities	–	9
Net cash inflow/(outflow) for the period	–	1,810,933

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Loss				
Loss for the period attributable to owners of the Company for the purpose of basic earnings per share	(4,559,067)	(2,952,693)	(10,037,162)	(7,958,948)
Number of shares				
Issued ordinary shares (weighted average number of ordinary shares for purpose of basic loss per share)	864,000,000	864,000,000	864,000,000	844,795,580
Basic loss per share (HK\$ cents)	(0.53)	(0.34)	(1.16)	(0.94)

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	
	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2022 HK\$ (Unaudited)
Loss for the period attributable to owners of the Company	–	–	–	(286,750)

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 2023 and 2022 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 2023)

9. CAPITAL EXPENDITURES

During the six months ended 30 June 2023, the Group acquired plant and equipment for a total cost of approximately HK\$6.4 million (six months ended 30 June 2022: approximately HK\$0.6 million).

During the six months ended 30 June 2023 and 2022, 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 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Trade receivables	17,668,092	17,061,507
Less: Allowance for ECL on trade receivables	(8,461,367)	(7,425,395)
	9,206,725	9,636,112
Rental and utilities deposits paid	400,265	400,265
Prepayments	963,768	512,158
Other receivables	4,039,500	6,300,000
	14,610,258	16,848,535

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 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Within 30 days	1,211,867	566,476
31 – 60 days	937,799	254,649
61 – 90 days	351,511	300,391
91 – 120 days	569,138	–
121 – 365 days	6,136,410	8,514,596
	9,206,725	9,636,112

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2023)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	At 30 June 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Balance at the beginning of the period/year	9,636,112	25,160,320
Balance at the end of the period/year	9,206,725	9,636,112

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 2023 and 31 December 2022, included in the Group's trade receivable balances were debtors with an aggregate carrying amount of approximately HK\$8,499,267 and HK\$9,069,636, 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 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Over due:		
Within 30 days	1,382,246	254,649
31 – 60 days	399,478	150,903
61 – 90 days	11,995	149,488
91 – 120 days	569,138	–
121 – 365 days	6,136,410	8,514,596
	8,499,267	9,069,636

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 2023 and 31 December 2022, 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 2023)

11. TRADE AND OTHER PAYABLES

	At 30 June 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Trade payables	1,568,173	529,941
Contract liabilities	2,525,484	15,484
Accrued expenses	2,881,350	2,257,416
Deposits and temporary received	–	10,000
	6,975,007	2,812,841

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

	At 30 June 2023 HK\$ (Unaudited)	At 31 December 2022 HK\$ (Audited)
Within 30 days	–	70,479
30 – 60 days	291,220	64,395
61 – 90 days	164,239	93,600
Over 90 days	1,112,714	301,467
	1,568,173	529,941

**NOTES TO THE UNAUDITED INTERIM
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2023)

12. SHARE CAPITAL

	30 June 2023		31 December 2022	
	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	8,000,000,000	8,000,000,000	80,000,000
Issued and fully paid ordinary shares at HK\$0.01 per share:				
At beginning of period/year	864,000,000	8,640,000	820,000,000	8,200,000
Issue of shares under the placing (Note a)	–	–	44,000,000	440,000
At end of period/year	864,000,000	8,640,000	864,000,000	8,640,000

Note:

- (a) 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 2023)

13. 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
Consideration	20,110
Satisfied by:	
Cash	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

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$Nil).

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the six months ended 30 June 2023, 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 2023.

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 2023, 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	34,125,000 (Note 1)	3.95%

Note:

- (1) 34,125,000 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.

OTHER INFORMATION

(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 2023, 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 2023, so far as the Directors are aware, no person (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
N/A	N/A	N/A	N/A

Save as disclosed herein, as at 30 June 2023, 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.

SHARE OPTION SCHEME

A share option scheme (the "Scheme") was adopted by the shareholders of the Company on 21 June 2019. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years. Under the Share Option Scheme, the Board shall be entitled to grant a share option to any eligible participant whom the Board may select at its absolute discretion. 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 2023 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 2023.

COMPETING INTERESTS

During the six months ended 30 June 2023, 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

The following sets out the changes in the information of the Directors that are subject to disclosure pursuant to Rule 17.50A(1) of the GEM Listing Rules during the six months ended 30 June 2023 and up to the date of this report:

With effect from 23 June 2023:

1. Mr. Zhang Wei ("Mr. Zhang") has been appointed as an executive Director.

With effect from 30 June 2023:

1. Ms. Chan Lok Yin has been appointed as an executive Director; and
2. Mr. Zhang Wei has been appointed as the member of the Remuneration Committee.

With effect from 1 July 2023:

1. Mr. Fok Hei Yuen Paul has resigned from his office an executive Director and member of the Remuneration Committee.

OTHER INFORMATION

With effect from 3 August 2023:

1. Mr. Yue Wai Leung Stan has tendered his resignation in respect of his positions as an independent non-executive Director, and the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee; and
2. Ms. Du Min has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

As at 30 June 2023, 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 report.

The Board is of the view that the Board comprises members with diversified background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of various stakeholders of the Company.

USE OF PROCEEDS

In addition to the information disclosed in the section headed "Use of Proceeds" in the 2022 Annual Report, the board of directors of the Company (the "Board") would like to provide additional information pursuant to Rule 18.32(8) and 18.32A of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to the use of proceeds raised in the placing of 100,000,000 shares of the Company (the "Shares") completed on 10 December 2021 (the "2021 Placing") and the placing of 44,000,000 Shares completed on 21 March 2022 (the "2022 Placing") as follows:

2021 Placing

Use of proceeds	Net proceeds	Amount	Unutilised proceeds	Amount utilised	Unutilised
	raised from	utilised during	brought forward	during	amount as at
	the 2021 Placing	the year ended	to the year ended	the year ended	31 December 2022
	HK\$ million	31 December 2021	31 December 2022	31 December 2022	31 December 2022
	(approximately)	HK\$ million	HK\$ million	HK\$ million	HK\$ million
		(approximately)	(approximately)	(approximately)	(approximately)
General working capital	14.6	1.2	13.4	13.4	Nil

2022 Placing

Use of proceeds	Net proceeds raised from the 2022 Placing HK\$ million (approximately)	Amount utilised during the year ended 31 December 2022 HK\$ million (approximately)	Unutilised amount as at 31 December 2022 HK\$ million (approximately)
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Repayment of overdraft facility	3.8	3.8	Nil
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The Board confirmed that the proceeds were used according to the intentions previously disclosed by the Company. The Board also confirmed that the above supplemental information does not affect other information contained in the 2022 Annual 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.

OTHER INFORMATION

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 (i) review and monitor the Company’s external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (ii) monitor integrity of the Company’s financial statements and the annual report and accounts, half-year report and quarterly reports, and review significant financial reporting judgements contained in them; and (iii) review the Company’s financial reporting, financial controls, risk management and internal control systems. 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 Ms. Du Min, Mr. Lee Tak Fai Thomas is the chairman of the Audit Committee. The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee had reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2023 and is of the opinion that such results have complied with applicable accounting standards and GEM Listing Rules and that adequate disclosures have been made.

The condensed consolidated financial results of the Group for the six months ended 30 June 2023 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, 14 August 2023

As at the date of this report, the executive Directors are Mr. Sou Peng Kan Albert, Mr. Lau Lawrence Tak Sun, Mr. Lin Dongsheng, Mr. Zhang Wei and Ms. Chan Lok Yin; and the independent non-executive Directors are Mr. Chim Tak Lai, Mr. Lee Tak Fai Thomas and Ms. Du Min.

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.