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## **YING HAI GROUP HOLDINGS COMPANY LIMITED**

**瀛海集團控股有限公司**

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

**(Stock Code: 8668)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Ying Hai Group Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 30 September 2023. This announcement, which contains the full text of the third quarterly report of the Company for the nine months ended 30 September 2023 (the “**Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of third quarterly results. Printed version of the Third Quarterly Report will be despatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.yinghaiholding.com](http://www.yinghaiholding.com) on the date of this announcement.

By order of the Board

**Ying Hai Group Holdings Company Limited**

**Choi Wai Chan**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 9 November 2023

*As at the date of this announcement, the executive Directors are Mr. Choi Wai Chan and Ms. Zou Shuer; and the independent non-executive Directors are Mr. Sou Sio Kei, Mr. Rodrigues Cesar Ernesto and Mr. Hu Chung Ming.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at [www.yinghaiholding.com](http://www.yinghaiholding.com).*

## **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 of the Stock Exchange 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 (collectively the "Directors" or individually a "Director") of Ying Hai Group Holdings Company Limited (the "Company", together with its subsidiaries, the "Group", "we", "our" or "us") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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## Financial Highlights

The Group recorded an unaudited revenue of approximately HK\$63.2 million for the nine months ended 30 September 2023 (nine months ended 30 September 2022: approximately HK\$8.2 million), representing a significant increase of approximately HK\$55.0 million or 670.7% as compared to the corresponding period in 2022.

The Group recorded an unaudited profit for the period attributable to the owners of the Company of approximately HK\$2.3 million for the nine months ended 30 September 2023 (nine months ended 30 September 2022: unaudited loss for the period attributable to the owners of the Company of approximately HK\$7.8 million).

The basic and diluted earnings per share attributable to the owners of the Company for the nine months ended 30 September 2023 was HK0.19 cents (nine months ended 30 September 2022: basic and diluted loss per share attributable to the owners of the Company of HK0.65 cents).

The board of Directors (the "**Board**") has resolved not to recommend payment of an interim dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: nil).

The Board is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2023, together with the unaudited comparative figures for the respective corresponding period of 2022 as follows:

## Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>Revenue</b>	5	<b>26,999</b>	2,123	<b>63,198</b>	8,246
Cost of sales		<b>(23,572)</b>	(1,617)	<b>(50,327)</b>	(8,008)
<b>Gross profit</b>		<b>3,427</b>	506	<b>12,871</b>	238
Other income and gains, net	6	<b>43</b>	1,663	<b>310</b>	2,707
Administrative expenses		<b>(4,098)</b>	(3,615)	<b>(10,722)</b>	(10,614)
Reversal of impairment loss recognised under expected credit losses model, net of impairment		—	40	—	132
Share of result of an associate		<b>(5)</b>	—	<b>14</b>	—
Finance costs	7	<b>(53)</b>	(82)	<b>(189)</b>	(276)
<b>(Loss)/profit before tax</b>	8	<b>(686)</b>	(1,488)	<b>2,284</b>	(7,813)
Income tax expenses	9	—	—	—	(2)
<b>(Loss)/profit for the period</b>		<b>(686)</b>	(1,488)	<b>2,284</b>	(7,815)
<b>Other comprehensive income/(loss)</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of financial statements		<b>70</b>	1	<b>156</b>	(36)
<b>Total comprehensive (loss)/income for the period</b>		<b>(616)</b>	(1,487)	<b>2,440</b>	(7,851)
<b>(Loss)/profit for the period attributable to owner of the Company</b>		<b>(686)</b>	(1,488)	<b>2,284</b>	(7,815)
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>		<b>(616)</b>	(1,487)	<b>2,440</b>	(7,851)
<b>(Loss)/earnings per share:</b>					
Basic and diluted	10	<b>HK(0.06) cents</b>	HK(0.12) cents	<b>HK0.19 cents</b>	HK(0.65) cents

Details of the dividend declared are disclosed in note 11 to the unaudited condensed consolidated financial statements.

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2023

	Share capital HK\$'000	Share premium HK\$'000 <i>(Note (a))</i>	Merger reserve HK\$'000 <i>(Note (b))</i>	Statutory reserve HK\$'000 <i>(Note (c))</i>	Translation reserve HK\$'000 <i>(Note (d))</i>	Accumulated losses HK\$'000	Total HK\$'000
<b>At 1 January 2022 (audited)</b>	<b>12,000</b>	<b>50,302</b>	<b>3,011</b>	<b>801</b>	<b>255</b>	<b>(18,104)</b>	<b>48,265</b>
Loss for the period	—	—	—	—	—	(7,815)	(7,815)
Other comprehensive loss:							
Exchange differences arising from translation of financial statements	—	—	—	—	(36)	—	(36)
Total comprehensive loss for the period	—	—	—	—	(36)	(7,815)	(7,851)
<b>At 30 September 2022 (unaudited)</b>	<b>12,000</b>	<b>50,302</b>	<b>3,011</b>	<b>801</b>	<b>219</b>	<b>(25,919)</b>	<b>40,414</b>
<b>At 1 January 2023 (audited)</b>	<b>12,000</b>	<b>50,302</b>	<b>3,011</b>	<b>801</b>	<b>191</b>	<b>(30,184)</b>	<b>36,121</b>
Profit for the period	—	—	—	—	—	2,284	2,284
Other comprehensive income:							
Exchange differences arising from translation of financial statements	—	—	—	—	156	—	156
Total comprehensive income for the period	—	—	—	—	156	2,284	2,440
<b>At 30 September 2023 (unaudited)</b>	<b>12,000</b>	<b>50,302</b>	<b>3,011</b>	<b>801</b>	<b>347</b>	<b>(27,900)</b>	<b>38,561</b>

## Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2023

Notes:

**(a) Share premium**

The share premium represents the differences between par value of the shares of the Company and proceeds received from the issuance of the shares of the Company which is governed by the Companies Act (as revised) of the Cayman Islands.

**(b) Merger reserve**

Merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the reorganisation carried out by the Group as fully explained in paragraph headed "History, development and Reorganisation — Reorganisation" in the prospectus of the Company dated 13 September 2019 (the "**Prospectus**") and the nominal value of the share capital of the Company issued in exchange thereof.

**(c) Statutory reserve**

In accordance with the relevant laws and regulation provided in Macau and the PRC, the Group's subsidiaries in Macau and the PRC are required to appropriate 25% and 10% of their profit for the year, as determined in accordance with the generally accepted accounting principles of Macau and PRC respectively, to the statutory reserve, until the statutory reserve balance of that subsidiary equals to 50% of that quota capital and the registered capital respectively. The appropriation to statutory reserve must to be made before the distribution of dividends to its shareholders. This reserve is not distributable to its shareholders.

The statutory reserve of PRC subsidiary can be used to offset previous years' losses or to increase capital.

**(d) Translation reserve**

Translation reserve of the Group represents the exchange difference on translation of financial statements of the entities with functional currencies other than HK\$.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 18 December 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The shares of the Company (the “**Shares**”) were listed on GEM of the Stock Exchange by the way of share offer (the “**Listing**”) on 26 September 2019 (the “**Listing date**”). The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1- 1108, Cayman Islands. The principal place of business in Hong Kong of the Company is Room 506, 5/F, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui, Hong Kong. The Company’s immediate and ultimate holding company is Silver Esteem Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Choi Wai Chan (“**Mr. Choi**”), who is a director of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in sales and distribution of hotel rooms and air tickets, sales and provision of ancillary travel-related products and services, provision of car rental services in Macau, cross-border car rental services between Macau and Hong Kong and sales of concert and show tickets and investment in concerts and shows.

The unaudited condensed consolidated financial statements (the “**Quarterly Financial Statements**”) are presented in Hong Kong Dollars (“**HK\$**”) which is the functional currency of the Company. The unaudited condensed consolidated financial statements are presented in the nearest thousand (HK\$’000) unless otherwise stated.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Quarterly Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules. The Quarterly Financial Statements have been prepared under the historical cost convention except for certain financial instruments that were measured at fair value at the end of each reporting period.

The Quarterly Financial Statements do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, as set out in the Company’s annual report dated 24 March 2023.

The accounting policies that have been used in the preparation of the Quarterly Financial Statements are consistent with those used in the preparation of the Company’s audited consolidated financial statements for the year ended 31 December 2022 except for the adoption of the new standards, amendments to standards and interpretations issued by the HKICPA that are effective for the annual periods beginning on 1 January 2023.

In the current period, the Group has applied all new and revised HKFRSs issued by the HKICPA that are effective for the Group’s financial year beginning on or after 1 January 2023. The application of the new and revised HKFRSs in the current period has had no material effect on the amounts reported and/or the disclosures set out in the Quarterly Financial Statements.

The Quarterly Financial Statements for the nine months ended 30 September 2023 have not been audited by the Company’s auditors but have been reviewed by the Company’s Audit Committee.

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, credit risk, cash flow and fair value interest rate risk and liquidity risk. The Quarterly Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the Company's annual report dated 24 March 2023.

There have been no changes in the risk management policies since 31 December 2022.

#### 3.2 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade and retention receivables, deposits and other receivable, bank deposits with original maturity over three months and cash and cash equivalents, and current financial liabilities, including trade and other payables, borrowings and lease liabilities, approximate their fair values as at the reporting date due to their short maturities. The nominal value less estimated credit adjustments for financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values. The carrying value of non-current lease liabilities is assumed to approximate its fair value as the amount bears interest at commercial rate.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Quarterly Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the Quarterly Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the Company's annual report dated 24 March 2023.

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 5. REVENUE AND SEGMENT INFORMATION

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Sales and distribution of hotel rooms, air tickets and other ancillary travel-related products and services	21,122	1,322	50,947	5,676
Provision of car rental services	3,405	801	8,665	2,570
Sales of concert and show tickets and investment in concerts and shows	2,472	—	3,586	—
	26,999	2,123	63,198	8,246

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance focusing on types of products and services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable operating segments of the Group.

Based on the internal organisation and reporting structure, the chief operating decision maker considers the Group has three reportable operating segments.

The Group's reportable operating segments are as follows:

#### (i) Travel business

The travel business mainly consists of sales and distribution of hotel rooms and margin income from sales, distribution and provision of air tickets, hotel rooms and ancillary travel-related products and services.

#### (ii) Vehicle business

The vehicle business mainly represents the provision of vehicle leasing and limousine services in Macau.

#### (iii) Concert and show business

The concert and show business mainly represents the sales of concert and show tickets and the investment in concerts and shows.

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable operating segments:

For the nine months ended 30 September 2023 (unaudited)

	Travel business HK\$'000 (unaudited)	Vehicle business HK\$'000 (unaudited)	Concert and show business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Reportable segment revenue</b>	<b>50,947</b>	<b>8,665</b>	<b>3,586</b>	<b>63,198</b>
<b>Reportable segment results</b>	<b>4,713</b>	<b>(124)</b>	<b>(44)</b>	<b>4,545</b>
Interest income				24
Government grants				58
Unallocated income and expenses				(2,343)
<b>Profit before tax</b>				<b>2,284</b>

For the nine months ended 30 September 2022 (unaudited)

	Travel business HK\$'000 (unaudited)	Vehicle business HK\$'000 (unaudited)	Concert and show business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Reportable segment revenue</b>	<b>5,676</b>	<b>2,570</b>	<b>—</b>	<b>8,246</b>
<b>Reportable segment results</b>	<b>(4,310)</b>	<b>(3,263)</b>	<b>—</b>	<b>(7,573)</b>
Interest income				15
Government grants				1,886
Unallocated income and expenses				(2,141)
<b>Loss before tax</b>				<b>(7,813)</b>

Reportable segment revenue represents revenue generated from external customers. There were no inter-segment sales during the reporting period.

Segment results represent profit earned by or loss from each segment without allocation of partial other income, government grant, directors' remuneration, partial depreciation, share of loss of associate, finance costs and other corporate income and expenses under the heading of "unallocated income and expenses". This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

## Notes to the Unaudited Condensed Consolidated Financial Statements

## 6. OTHER INCOME AND GAINS, NET

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest income	13	7	24	15
Exchange (loss)/gain	(19)	4	9	4
Government grants	9	1,574	58	1,886
Service fee	—	—	—	583
Sundry income	40	78	219	219
	43	1,663	310	2,707

## 7. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on lease liabilities	21	35	93	117
Interest on bank borrowing	32	47	96	159
	53	82	189	276

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 8. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Depreciation of property, plant and equipment	599	908	2,114	2,481
Lease payment under operating lease in respect of leased assets	79	299	261	718
Employee benefit expenses: (including directors' remuneration)				
– Salaries, allowances and benefits in kind	3,362	1,608	8,302	6,750
– Retirement benefit scheme contribution	85	85	270	313
	<b>3,447</b>	<b>1,693</b>	<b>8,572</b>	<b>7,063</b>

### 9. INCOME TAX EXPENSES

	For the three months ended 30 September		For the nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax:				
– Macau Complementary Tax	—	—	—	2

Macau Complementary Tax are calculated at 12% of the estimated assessable profits for the nine months ended 30 September 2023 and 2022.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the nine months ended 30 September 2023 and 2022.

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 9. INCOME TAX EXPENSES (CONTINUED)

No provision for Macau Complementary Tax, Hong Kong Profits Tax and the PRC Enterprise Income Tax have been made as there is no assessable profits for the nine months ended 30 September 2023 (nine months ended 30 September 2022: approximately HK\$2,000).

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

### 10. (LOSS)/EARNINGS PER SHARE

The computations of basic and diluted (loss)/earnings per share attributable to owners of the Company are based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
<b>(Loss)/profit</b>				
(Loss)/profit for the purpose of basic and diluted (loss)/earnings per share for the period attributable to owners of the Company	<b>(686)</b>	(1,488)	<b>2,284</b>	(7,815)
<b>Number of shares</b>	<b>'000</b>	'000	<b>'000</b>	'000
Weighted average number of shares for the purpose of calculating basic and diluted loss per share	<b>1,200,000</b>	1,200,000	<b>1,200,000</b>	1,200,000

Diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as the Company did not have potential dilutive ordinary shares for the nine months ended 30 September 2023 and 2022.

### 11. DIVIDEND

The Directors resolved not to recommend, declare or propose an interim dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: nil).

# Management Discussion and Analysis

## BUSINESS REVIEW AND PROSPECTS

The Company has successfully listed its Shares on GEM of the Stock Exchange (the “**Listing**”) on 26 September 2019 (the “**Listing Date**”).

The Group is a licensed travel agent that primarily focuses on the provision of travel services and a car rental services provider in Macau, the PRC and Hong Kong. The Group derived its revenue from (i) sales and distribution of air tickets and hotel rooms; (ii) sales and provision of ancillary travel-related products and services; (iii) provision of car rental services in Macau; (iv) cross-border car rental services between Macau and Hong Kong; and (v) sales of concert and show tickets and investment in concerts and shows.

Since the emergence of the outbreak of COVID-19 pandemic (the “**Pandemic**”) in 2020, the travel industry in Macau had been significantly hit and as a result our business and financial performance had been adversely affected. With the easing of the Pandemic and the relaxation of travel restrictions and stringent anti-epidemic measures (the “**Relaxation Policy**”) implemented in the first quarter of 2023, the number of visitors going to Macau gradually increased and hence the business and financial performance of the Group have improved for the nine months ended 30 September 2023. However, it remains uncertain as to whether the number of visitors going to Macau will restore to the level in the pre-Pandemic era, the Directors will continue to closely monitor the Group’s risks and opportunities brought by the Relaxation Policy.

Apart from the business in Macau, the Group has explored the business in Hong Kong. On 22 March 2023, a subsidiary of the Company, namely Ying Hai Tourism Company Limited (瀛海旅遊有限公司), obtained a Travel Agent Licence (旅行代理商牌照) in Hong Kong issued by the Travel Industry Authority (旅遊業監管局).

The Group’s strategic objective is to strengthen its established market position in the Macau’s travel industry in order to generate profits and investment returns for the Company’s shareholders and drive sustainable growth in the future. To do so, the Group plans to strategically look for opportunities to cooperate with more hotel operators, other travel agents and corporate customers in Macau. The Group intends to enter into agreements with more hotel operators to include mid and high-tier hotel rooms with a view to increase the number of hotel rooms and to expand its hotel base so as to attract business travellers and high spending customers and to increase the Group’s market share, and thereby generate a higher sales volume and higher revenue from the Group’s other services, such as car rental services. Also, the Group will consider to expand the tourism business to Hong Kong and the PRC. During the nine months ended 30 September 2023, the Group also engaged in the sale of concert and show tickets and investment in concerts and shows so as to expand the source of revenue in addition to sales of hotel rooms and vehicle leasing of the Group to capture income sources related to the tourism industry in Macau. The Group believes that this can bring synergy to its existing travel business of sales and distribution of hotel rooms and car rental services.

## Management Discussion and Analysis

In addition, as disclosed in the Company's announcement dated 3 May 2021 (the "**Announcement**"), the Group entered into a cooperation agreement with a concert promotor (the "**Concert Promotor**") for cooperating the organisation and sponsoring eight singing concerts held in the PRC by a well-known singing artist. The eight concerts were originally scheduled to be held in Beijing, Shenzhen, Shanghai and Chengdu of the PRC from August 2021 to November 2021. However, due to the Pandemic in the PRC and the stringent anti-epidemic measures imposed by the PRC government, the concerts were postponed to the second half of 2022. Based on the Company's discussion with the Concert Promoter in late December 2022, the Company understood that, the rescheduled concerts were further postponed to 2023. Based on the Company's latest discussions with the Concert Promoter, the Company understood that, as of the date of this report, all eight concerts have been successfully held, with the concerts originally scheduled to be held in Chongqing being relocated to Shenzhen.

During the nine months ended 30 September 2023 and up to the date of this report, the Group has completed four shows - "*Australia's Thunder From Down Under (澳洲雷霆猛男秀)*" in Macau, South Korea, Thailand and Taiwan and two shows - "Disney in Concert" in Macau and the PRC.

### FINANCIAL REVIEW

#### Revenue

The Group's revenue increased significantly by approximately HK\$55.0 million or 670.7% from approximately HK\$8.2 million for the nine months ended 30 September 2022 to approximately HK\$63.2 million for the nine months ended 30 September 2023. The significant increase in revenue was mainly attributable to the increase in revenue generated from the sales and distribution of hotel rooms, the provision of car rental services and sales of concert and show tickets and investment in concerts and shows as a result of the gradual recovery of the travel industry in Macau following the implementation of the Relaxation Policy.

#### Cost of sales

The Group's cost of sales mainly comprised (i) cost of hotel rooms; (ii) distribution service fees; (iii) cost of car rental services; and (iv) cost of organising concerts and shows. For the nine months ended 30 September 2022 and 2023, the cost of sales amounted to approximately HK\$8.0 million and HK\$50.3 million, respectively, representing a significant increase of approximately HK\$42.3 million or 528.8%. The significant increase was mainly driven by the purchase cost for hotel rooms offered by the Group's suppliers increase during the nine months ended 30 September 2023.

#### Gross profit

The Group's gross profit for the nine months ended 30 September 2023 amounted to approximately HK\$12.9 million, representing a significant increase of approximately HK\$12.7 million or 635.0% as compared to approximately HK\$0.2 million for the nine months ended 30 September 2022. The significant increase in gross profit was mainly due to the Relaxation Policy in early 2023, which led to the increase in the number of visitors going to Macau and hence the business and financial performance of the Group have improved for the nine months ended 30 September 2023.

## Management Discussion and Analysis

### Other income and gains, net

The Group's other income and gains, net decreased from approximately HK\$2.7 million for the nine months ended 30 September 2022 to approximately HK\$0.3 million for the nine months ended 30 September 2023. The decrease was mainly due to the decrease in service fee income and government grants received during the nine months ended 30 September 2023.

### Administrative expenses

The Group's administrative expenses mainly comprised employee benefits expenses, depreciation expenses, rental and related expenses, office expenses, motor vehicle expenses, professional fees, entertainment expenses and advertising and promotion expenses. The Group's administrative expenses were relatively stable at HK\$10.6 million and HK\$10.7 million for the nine months ended 30 September 2022 and 2023, respectively.

### Income tax expenses

The Group's income tax expenses was nil for the nine months ended 30 September 2023, comparing to approximately HK\$2,000 for the nine months ended 30 September 2022.

### Finance costs

The Group's finance costs were relatively stable at approximately HK\$0.3 million and HK\$0.2 million for the nine months ended 30 September 2022 and 2023, respectively.

### Profit/(loss) for the period

The Group recorded a profit for the period of approximately HK\$2.3 million for the nine months ended 30 September 2023, comparing to loss for the period of approximately HK\$7.8 million for the nine months ended 30 September 2022. The reversal from loss to profit for the period was mainly driven by the significant increase in revenue attributable to the gradual recovery of the travel industry in Macau and the implementation of the Relaxation Policy in early 2023, and hence the business and financial performance of the Group have improved for the nine months ended 30 September 2023.

## Management Discussion and Analysis

### Use of net proceeds from the Listing

The net proceeds (the “**Net Proceeds**”) from the Listing, after deducting the actual underwriting fees and expenses paid by the Company, amounted to approximately HK\$39.3 million. The intended use of proceeds was more particularly set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and subsequently the Board resolved to revise the intended use of proceeds on 3 May 2021 as disclosed in the announcement of the Company dated 3 May 2021 (the “**Announcement**”). The particulars of the use of proceeds from the Listing Date up to 30 September 2023 are set forth below:

	Adjusted use of Net Proceeds as stated in the Announcement (HK\$'000)	Actual amount of Net Proceeds utilised from the Listing Date to 31 December 2022 (HK\$'000)	The amount of Net Proceeds utilised during the nine months ended 30 September 2023 (HK\$'000)	Actual amount of Net Proceeds utilised as at 30 September 2023 (HK\$'000)	Unutilised amount of the Net Proceeds as at 30 September 2023 (HK\$'000)	Expected timeline for the intended use of the unutilised Net proceeds (HK\$'000)
Expansion of car fleet	3,965	3,965	—	3,965	—	—
Corporate with more hotel operators	6,480	2,286	272	2,558	3,922	December 2023
Increase our marketing and expansion of our sales channel	2,319	2,319	—	2,319	—	—
Improve the efficiency of our operation	1,485	1,485	—	1,485	—	—
Expand our workforce	824	824	—	824	—	—
General working capital	1,080	1,080	—	1,080	—	—
Cooperating with the organizer of singing concerts	22,186	22,186	—	22,186	—	—
Expansion of tourism business to the PRC	957	957	—	957	—	—
<b>Total</b>	<b>39,296</b>	<b>35,102</b>	<b>272</b>	<b>35,374</b>	<b>3,922</b>	

*Note:* As disclosed in the Announcement, the Group’s financial performance and condition were affected by the Pandemic since 2020. In view of the adverse impact of the Pandemic on the Group’s business, the Board resolved to adjust the business strategies in order to diversify business operations risk and to cope with the economic uncertainty in the future by reallocating the then unutilised Net Proceeds from the Listing. For further details in relation to the reallocation, please refer to the Announcement.

All the unutilised balances have been placed in licensed banks in Macau.

## Management Discussion and Analysis

### Comparison of business strategies and actual business progress

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to the date of this report is set out below:

<b>Business strategies as stated in the Prospectus and the Announcement</b>	<b>Actual business progress up to date of this report</b>
Expand our car fleet	Up to the date of this report, the Group has purchased 13 new motor vehicles for the provision of point-to-point cross-border transportation services and car rental services in Macau. We will consider the market demand in Macau to adjust the progress of our expansion plan of car fleet.
Cooperate with more hotel operators	We are in the progress of identifying popular and quality hotels to cooperate with.
Cooperating with the organiser of singing concerts	As disclosed in the Announcement, we will cooperate with the organiser of singing concerts by sponsoring singing concerts held in the PRC and Macau of well-known stars and artists, subject to market demand in both the PRC and Macau and the development of the Pandemic. In respect of the Singing Concerts, they were originally scheduled to be held from August 2021 to November 2021. Based on the Company's discussion with the Concert Promotor in late December 2022, the singing concerts were further postponed to 2023 due to the Pandemic in the PRC. Based on the Company's latest discussion with the Concert Promoter, the Company understood that, as of the date of this report, all eight concerts have been successfully held, with the concerts originally scheduled to be held in Chongqing being relocated to Shenzhen.
Expansion of tourism business to the PRC	As disclosed in the Announcement and elsewhere of this report, the Group plans to expand its tourism business to the PRC and Hong Kong in order to diversify its business. We are in the progress of identifying tourism business opportunities in the PRC and Hong Kong.

## Management Discussion and Analysis

### Principal risks and uncertainties in achieving our business strategies

During the period under review, the Group faced certain risks and uncertainties in achieving our business strategies in accordance with the use of proceeds plan as set out in the Prospectus and the Announcement as follows:

1. The Pandemic has severely affected the travel and tourism industry in Macau after the imposition of the travel restrictions by the Macau and the PRC government and sluggish consumers' sentiment. Travel restrictions and lock-down in Macau, the PRC and Hong Kong may re-occur or even tighten up again in the future and thus the outlook of the travel industry remains uncertain and thus, the Group will strategically adhere to the business plan and will actively search for deals and other business opportunities to stabilise the impact of the Pandemic to the Group's business;
2. The Group may fail to find hotel operators with attractive terms to cooperate with to achieve the Group's expansion plans;
3. When achieving the Group's business plans, timing is of the essence. The Group may fail to grasp the business trend to determine the optimal time to enter the market or expand our new sales channel; and
4. In an increasingly volatile and complex business environment, the Group may face changes in consumer behaviour and high competition when the Group launches its business plan.

In order to alleviate the above risks and uncertainties in achieving the Group's business strategies, the Group will ensure that its business plans are as resilient as possible to meet these challenges based on market conditions. The Group will carefully look at the business trends as well to determine if there is a strong entrepreneurial environment for the Group to lean on.

### PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties faced by the Group, which may materially and adversely affect the Group's business, financial condition or results of operations:

1. The Group's business and operation have been seriously affected by the Pandemic and the resulting lock-down, travel restrictions and suspension of work in Macau, the PRC and Hong Kong. The number of tourists visiting Macau significantly decreased for a prolonged period due to the Pandemic prior to the launch of the Relaxation Policy. Despite the Relaxation Policy was launched in early 2023, there is no assurance that the number of tourists visiting Macau and Macau's economy will recover to the level in the pre-Pandemic era.
2. The Group's revenue was mainly derived from Macau and the Group's sales performance is susceptible to changes in Macau as well as the PRC policies and economic environment.
3. Customers may delay payment or default payment, yet the Group may be required to pay for the hotel rooms and the Group may bear the cost.
4. The Group's major suppliers might opt to deal with the Group's customers directly, alternatively the Group's travel agent customers may source hotel rooms from each other, thereby bypassing the Group.

## Management Discussion and Analysis

- Historically, the Group's revenue was substantially generated from the sales and distribution of hotel rooms from certain hotel operators in Macau (the "**Hotel Operators**"), and the Group's business and results of operation may be adversely affected if (i) the Hotel Operators terminate or refuse to renew the relevant agreements; or (ii) the renewed terms become less favourable to the Group.
- The Group is committed to secure a guaranteed number of hotel rooms at pre-determined room rates with various hotels operators. The Group may suffer from a decrease in profits or record a loss from the sales and distribution of the guaranteed hotel rooms if the Group is unable to sell and distribute the hotel rooms at rates higher than its respective pre-determined room rates or if the hotels operators reduce the number of hotel rooms sold to the Group.
- If the Group is unable to obtain and maintain adequate parking spaces at reasonable costs, the Group's growth opportunities may be adversely affected.

### EMPLOYEES AND REMUNERATION POLICY

The Directors believe that employees are an important asset to the Group and the quality of the employees is an important factor in sustaining the Group's business growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salary and contributions to the mandatory provident fund, staff benefits also include medical insurance scheme and the share option scheme.

As at 30 September 2023, the Group had a total of 90 employees (as at 30 September 2022: 65 employees). The Group's staff costs, including Directors' emoluments, amounted to approximately HK\$8.6 million for the nine months ended 30 September 2023 (30 September 2022: approximately HK\$7.1 million), representing an increase of approximately 21.1%. The increase was mainly due to the increase of number of employees and salaries of certain staff members to support our business development. The Group determines the employee's remuneration with reference to prevailing market terms and based on factors such as their performance, qualification and years of experience.

### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries, associate companies or joint ventures during the nine months ended 30 September 2023 and up to the date of this report.

## Management Discussion and Analysis

### SIGNIFICANT INVESTMENTS HELD

As at 30 September 2023, the Group's significant investment comprised financial assets at fair value through profit or loss. The following table sets forth the movement of our financial assets at fair value through profit or loss and its size relative to the Group's total assets as at/for the nine months ended 30 September 2023:

For the nine months ended/As at 30 September 2023							
Significant Investment	Investment cost HK\$'000	Fair value	Realised	Unrealised	Settlement HK\$'000	Fair value	Percentage of
		at beginning of the period HK\$'000	gain/(loss) recognised HK\$'000	gain/(loss) recognised HK\$'000		at end of the period HK\$'000	fair value to the Group's total assets at end of the period HK\$'000
Financial assets at fair value through profit or loss ( <i>Note</i> )	24,069	25,003	—	—	—	25,003	32.8

*Note:* The financial assets at fair value through profit or loss represented investment in concerts. On 3 May 2021, Ying Hai Entertainment Culture Company Limited (瀛海娛樂文化有限公司), being a wholly-owned subsidiary of the Company, entered into a cooperation agreement (the "**Cooperation Agreement**") with the Concert Promoter for cooperating the organisation and sponsoring the singing concerts held in the PRC by a well-known singing artist. Pursuant to the Cooperation Agreement, the Group will be entitled to 20% of income, including ticketing and sponsorship income, generated from the concerts while the Concert Promotor will be entitled to 80% of the income generated from the concerts. For further details of the Cooperation Agreement, please refer to the Announcement. To the best knowledge, information and belief of the Directors, the business scope of the Concert Promotor included organising arts and culture exchanges, organising convention and exhibition activities, designing, producing, dealing and distributing advertisement, conducting marketing survey, conducting business planning, importing and exporting of goods and services and providing performing arts brokerage services.

For the latest progress of the concerts and future prospects of our investment in concerts, please refer to the paragraph headed "Management Discussion and Analysis — Business Review and Prospects" in this report.

## Management Discussion and Analysis

### LIQUIDITY AND FINANCIAL RESOURCES

#### Capital structure

There has been no material change in the share capital structure of the Company during the nine months ended 30 September 2023.

#### Cash position

As at 30 September 2023, the cash and cash equivalents and bank deposits with maturity dates over three months (the “**Total Bank Balances**”) were stable at approximately HK\$8.0 million as at 30 June 2023 and 30 September 2023. Among the Total Bank Balances of HK\$8.0 million as at 30 September 2023:

1. approximately of HK\$5.8 million (as at 30 June 2023: approximately of HK\$5.1 million) represented cash and cash equivalents of the Group; and
2. approximately HK\$2.2 million (as at 30 June 2023: approximately HK\$2.9 million) represented bank deposits with maturity dates over three months of the Group, which were placed in a bank to secure general banking facilities in support of guarantees in favour of the suppliers of the Group and to the Macau government to obtain travel agent licence in Macau.

#### Borrowings and lease liabilities

As at 30 September 2023, the total borrowings and lease liabilities of the Group, all of which were denominated in Hong Kong dollars, amounted to approximately HK\$4.3 million (as at 30 June 2023: approximately HK\$5.2 million) and outstanding committed banking facilities amounted to approximately HK\$2.2 million (as at 30 June 2023: approximately HK\$2.9 million). Out of the total borrowings and lease liabilities:

1. approximately HK\$2.2 million (as at 30 June 2023: HK\$2.9 million) represented the bank borrowings which bore a fixed rate ranging from 2.5% to 4.0% per annum as at 30 September 2023 (as at 30 June 2023: from 2.5% to 4.0% per annum). The bank borrowings with carrying amount of approximately HK\$1.6 million as at 30 September 2023 (as at 30 June 2023: approximately HK\$1.8 million) were secured by properties included in the property, plant and equipment with net carrying amount of approximately HK\$1.6 million as at 30 September 2023 (as at 30 June 2023: approximately HK\$2.3 million); and
2. approximately HK\$2.1 million (as at 30 June 2023: approximately HK\$2.3 million) represented lease liabilities of the leases available for use by the Group, carrying an interest rate ranging from 4.3% to 8.0% per annum (as at 30 June 2023: ranging from 4.3% to 8.0% per annum).

## Management Discussion and Analysis

### Pledge of assets

As at 30 September 2023, the Group's bank deposits with maturity dates over three months with amount of approximately HK\$2.2 million (as at 30 June 2023: approximately HK\$2.9 million), have been pledged to secure general banking facilities granted to the Group and guarantees issued to the suppliers of the Group as general trade deposits and to the Macau government to obtain travel agent licence in Macau.

As at 30 September 2023, the Group's has pledged properties with carry amount of approximately HK\$1.6 million (as at 30 June 2023: approximately HK\$2.3 million) to secure bank borrowings with carrying amounts of approximately HK\$1.6 million (as at 30 June 2023: approximately HK\$1.8 million). The properties are the carparking spaces that located in Macau.

### Gearing ratio

As at 30 September 2023, the gearing ratio of the Group was approximately 11.2% (as at 30 June 2023: approximately 13.3%). The gearing ratio is calculated based on the bank borrowings, bank overdrafts and lease liabilities divided by the equity attributable to owners of the Company at the end of the respective period.

### DIVIDEND

The Board has resolved not to declare an interim dividend for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: Nil).

### COMMITMENTS

As at 30 September 2023, the Group did not have any significant capital commitment (as at 30 June 2023: Nil).

### CONTINGENT LIABILITIES

As at 30 September 2023, the Group had no significant contingent liabilities (as at 30 June 2023: Nil).

### FOREIGN EXCHANGE EXPOSURE

The Group operates in Macau and the PRC with majority of the transactions being settled in MOP, HK\$, USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to significant foreign exchange risk in respect of HK\$ against MOP and USD as long as these currencies are pegged.

The transactions and monetary assets and liabilities denominated in RMB are minimal, the Group considers there is no significant foreign exchange risk in respect of RMB.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

## Management Discussion and Analysis

### CORPORATE GOVERNANCE PRACTICE

The Board recognises that transparency and accountability are the cornerstones of the Company's corporate governance. Therefore, the Company is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of our shareholders. The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has in all material respects complied with the CG Code for the nine months ended 30 September 2023, except for the deviations from paragraph C.2.1 of part 2 of the CG Code, which is explained in the paragraph below.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Paragraph C.2.1 of part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Choi Wai Chan ("Mr. Choi") is currently the chairman and the chief executive officer of the Company. Considering that Mr. Choi has been operating and managing the Group since 2014 until his resignation in August 2022 (in which Mr. Choi was re-appointed in May 2023, the details of which are set out in the Company's announcements dated 19 May 2023 and 25 May 2023) and his expertise in the travel industry, the Board believes that it is in the best interest of the Group to have Mr. Choi taking up both roles for effective management and business development. Furthermore, all major decisions of the Company are discussed by the Board, the Board committees and the senior management. The Board also considers that since the members of the Board include competent and independent non-executive Directors, this structure would not impair the balance of power and authority between the Board and its management in the business of the Group. Therefore, the Board considers that the deviation from paragraph C.2.1 of part 2 of the CG Code is appropriate in such circumstance and in the interest of the Company.

As disclosed in the Company's announcement dated 3 August 2022, Mr. Choi resigned as the executive Director and chairman and ceased to act as the chief executive officer of the Company until his re-appointment in May 2023 as disclosed above. Following the then Mr. Choi's resignation and prior to Mr. Choi's reappointment, Ms. Zou Shuer ("Ms. Zou"), being an executive Director of the Company, was the chairman of the Board and the Company's chief executive officer from 3 August 2022 to 19 May 2023. As such, the Company deviated from paragraph C.2.1 of part 2 of the CG Code. Considering that Ms. Zou joined the Group in September 2017 and has been overseeing the operation of the Group, the Board was of the opinion that it was beneficial to the Company and its business to have Ms. Zou taking over the roles of both chairman and chief executive officer for a strong leadership for the Group and can be effective in planning and implementing long-term business strategies. The Board also considered that since the members of the Board include competent and independent non-executive Directors, this structure would not impair the balance of power and authority between the Board and its management in the business of the Group.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the nine months ended 30 September 2023 and up to the date of this report, none of the Directors or the controlling shareholders or their close associates (as defined under the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the nine months ended 30 September 2023 and up to the date of this report.

## Management Discussion and Analysis

### THE INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

At 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long positions in the Shares

Name of Director	Capacity	Number of ordinary shares interested	Percentage of shareholding
Mr. Choi Wai Chan <sup>(Note)</sup>	Interest of controlled corporation	900,000,000	75.0%

Note:

These 900,000,000 Shares are held by Silver Esteem Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Choi Wai Chan. Therefore, Mr. Choi Wai Chan is deemed to be interested in all the Shares held by Silver Esteem Limited for the purpose of the SFO. Mr. Choi Wai Chan is the sole director of Silver Esteem Limited.

#### Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares interested	Percentage of shareholding
Mr. Choi Wai Chan	Silver Esteem Limited	Beneficial owner	1	100.0%

Save as disclosed above and so far as is known to the Directors, at 30 September 2023, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## Management Discussion and Analysis

### THE INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 30 September 2023 and so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

#### Long positions in the Shares

Name of shareholder	Capacity	Number of ordinary shares interested	Percentage of shareholding
Silver Esteem Limited	Beneficial owner <i>(Note 1)</i>	900,000,000	75.0%
Ms. Wong Pui Keng	Interest of spouse <i>(Note 2)</i>	900,000,000	75.0%

Notes:

1. Silver Esteem Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Choi Wai Chan. Therefore, Mr. Choi Wai Chan is deemed to be interested in all the Shares held by Silver Esteem Limited for the purposes of the SFO. Mr. Choi Wai Chan is the sole director of Silver Esteem Limited.
2. Ms. Wong Pui Keng is the spouse of Mr. Choi Wai Chan. She is deemed to be interested in all the Shares in which Mr. Choi Wai Chan is interested under the SFO.

Save as disclosed above, at 30 September 2023, the Directors were not aware of any interests or short positions of any persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company to be kept under Section 336 of the SFO.

#### SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “Scheme”) on 3 September 2019. During the nine months ended 30 September 2023 and up to the date of this report, no option had been granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme.

#### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry with all the Directors, all Directors have confirmed that they have complied with all the required standard of dealing and the code of conduct for securities transactions by the Directors during the nine months ended 30 September 2023 and up to the date of this report.

## Management Discussion and Analysis

### EVENT AFTER REPORTING PERIOD

There is no material event subsequent to 30 September 2023 and up to the date of this report which requires disclosure.

### AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 3 September 2019 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with code provisions D.3.3 and D.3.7 of the CG Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on the appointment or reappointment and removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; and oversee the effectiveness of the internal control procedures of the Group. The Audit Committee consists of three independent non-executive Directors, namely Mr. Hu Chung Ming, Mr. Sou Sio Kei and Mr. Rodrigues Cesar Ernesto. Mr. Hu Chung Ming is the chairman of the Audit Committee. The auditor of the Company has not reviewed or audited the condensed consolidated financial statements for the nine months ended 30 September 2023 but the Audit Committee has reviewed the unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 and is of the opinion that the preparation of the condensed consolidated financial statements for the nine months ended 30 September 2023 complies with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

By order of the Board  
**Ying Hai Group Holdings Company Limited**  
**Choi Wai Chan**  
*Chairman, Chief Executive Officer  
and Executive Director*

Hong Kong, 9 November 2023

*At the date of this report, the executive Directors are Mr. Choi Wai Chan and Ms. Zou Shuer; and the independent non-executive Directors are Mr. Hu Chung Ming, Mr. Sou Sio Kei and Mr. Rodrigues Cesar Ernesto.*

*This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication. This report will also be published on the Company’s website at [www.yinghaiholding.com](http://www.yinghaiholding.com).*