

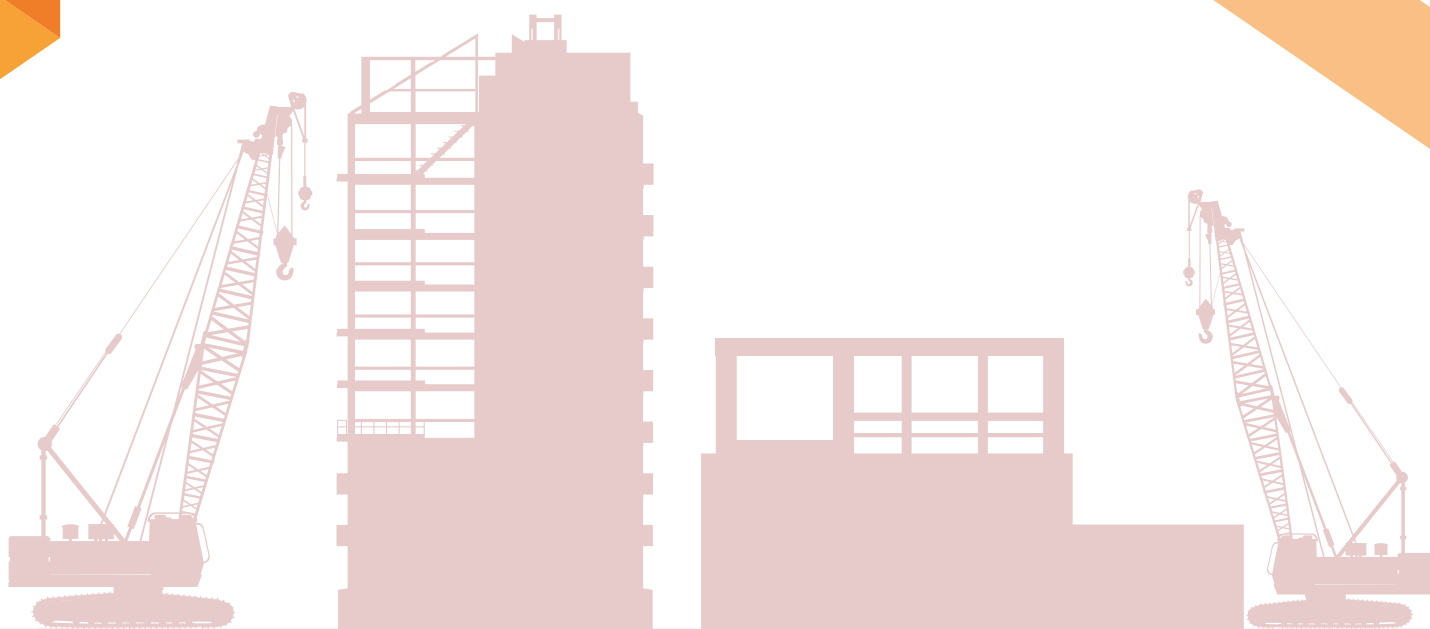
# WORLD SUPER HOLDINGS LIMITED

## 維亮控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8612

## Interim Report 2020



## 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.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”) 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; and (2) there are no other matters the omission of which would make any statement herein or this report misleading.*





# CONTENTS

	Pages
FINANCIAL HIGHLIGHTS	3
MANAGEMENT DISCUSSION AND ANALYSIS	4
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	13
NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS	14
OTHER INFORMATION	29



## 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 2020, together with the comparative figures for the corresponding period in 2019 as follows:

### FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	
Revenue	<b>43,332,997</b>	24,472,699	77.1%
Gross profit	<b>15,190,891</b>	13,341,625	13.9%
Profit for the period	<b>3,191,822</b>	1,180,600	170.4%
Profit for the period (excluding listing expenses)	<b>3,191,822</b>	5,252,398	(39.2)%

The Group’s revenue for the six months ended 30 June 2020 amounted to approximately HK\$43.3 million, representing an increase of approximately 77.1% as compared with that of the corresponding period in previous year.

Gross profit for the six months ended 30 June 2020 increased by approximately 13.9% to approximately HK\$15.2 million.

Profit for the six months ended 30 June 2020 was approximately HK\$3.2 million and, if listing expenses incurred for obtaining a listing of the Company’s shares on the GEM of the Stock Exchange on 12 July 2019 (the “Listing”) were excluded, the profit for the period decrease from approximately HK\$5.3 million for the six months ended 30 June 2019 to approximately HK\$3.2 million for the six months ended 30 June 2020.



# MANAGEMENT DISCUSSION AND ANALYSIS

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Prospects

#### *Business Review*

The Group mainly undertakes (i) provision of rental services of crawler cranes, oscillators, a kind of board piling machine working with drill-string to drill through the hard rock to the designated depth (the "RCD") and hydromill trench cutters for construction projects mainly in Hong Kong and/or Macau; (ii) trading of new or used crawler cranes, RCDs, trench cutters, oscillators and/or related spare parts to customers in Hong Kong, Macau and Philippines; and (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.

#### *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 increased from approximately HK\$19.3 million for the six months ended 30 June 2019 to approximately HK\$24.2 million for the six months ended 30 June 2020. The increase is due to more owned fleet was used.

#### *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\$4.4 million for the six months ended 30 June 2019 to approximately HK\$16.1 million for the six months ended 30 June 2020. The increase is mainly due to the increase in trading of tools and parts.

#### *Provision of transportation and other services*

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

The transportation and other services income increased from approximately HK\$0.8 million for the six months ended 30 June 2019 to approximately HK\$3.0 million for the six months ended 30 June 2020. The increase is mainly due to more transportation service fees charged to customers.



### **Prospects**

The coronavirus pandemic continues to ravage in different countries/regions, the business activities of our customers and overseas suppliers have been disrupted. The Group will continue to respond to the changing market environment.

Although the global and local market conditions are still uncertain, the Group remains cautiously optimistic towards the local construction machinery rental market in view of the numerous construction projects from the public and private sectors. The Group will also continue to look for other opportunities in an attempt to create maximum returns to the shareholders.

## **FINANCIAL OVERVIEW**

### **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.

The Group's revenue increased from approximately HK\$24.5 million for the six months ended 30 June 2019 to approximately HK\$43.3 million for the six months ended 30 June 2020, representing an increase of approximately 77.1% which mainly due to the increase in general sales. The increase in general sales is due to the increase in trading of tools and parts.

### **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 2020, the Group's cost of sales and services amount to approximately HK\$28.1 million (for the six months ended 30 June 2019: approximately HK\$11.1 million). The increase is in line with the increase in the general sales from trading of tools and parts.

### **Administrative Expenses**

Administrative expenses mainly include staff costs, depreciation on right of use assets and listing expenses. For the six months ended 30 June 2020, the Group's administrative expenses amounted to approximately HK\$6.4 million (for the six months ended 30 June 2019: approximately HK\$7.4 million). The decrement is mainly due to the decrease in the listing expenses from approximately HK\$4.1 million for the six months ended 30 June 2019 to nil for the six months ended 30 June 2020.

### **Taxation**

The Group recorded income tax expenses of approximately HK\$1.3 million and HK\$1.2 million for the six months ended 30 June 2020 and 2019 respectively, mainly because of the increase in taxable profit for the six months ended 30 June 2020.

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

### **Profit for the Period**

For the six months ended 30 June 2020, the Group's profit for the period was approximately HK\$3.2 million (for the six months ended 30 June 2019: approximately HK\$1.2 million), which was mainly attributable to the decrease in listing expenses from approximately HK\$4.1 million for the six months ended 30 June 2019 to nil for the six months ended 30 June 2020. If listing expenses incurred for obtaining the Listing were excluded, the profit for the period decrease from HK\$5.3 million for the six months ended 30 June 2019 to HK\$ 3.2 million for the six months ended 30 June 2020. The decrease in the profit for the period is mainly due to 1) the increase in the repairs and maintenance expenses incurred for the repairs and maintenance work; 2) the increase in listing-related expenses (including the increase in auditor's remuneration, directors' fee and compliance advisory fee after the Listing); and 3) the increase in the wage and staff costs.



### Liquidity and Financial Resources

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, internally generated cash flow and proceeds received from the Share Offer (as defined in the prospectus of the Company dated 27 June 2019 (the "Prospectus")) of the Company's shares.

As at 30 June 2020, the Group had bank balances and cash of approximately HK\$8.2 million (31 December 2019: approximately HK\$25.9 million) and pledged bank deposits of approximately HK\$2.9 million (31 December 2019: approximately HK\$2.9 million). The decrease in bank balance and cash was mainly due to the cash used in purchasing of plant and equipment and repayment of borrowings and obligations under finance leases.

The interest-bearing loans of the Group as at 30 June 2020 was approximately HK\$37.5 million (31 December 2019: approximately HK\$29.5 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 2020 was approximately 27.9% (31 December 2019: approximately 22.5%).

### Significant Investments Held

During the six months ended 30 June 2020, 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\$43.5 million and HK\$37.0 million and motor vehicles with an aggregate net book value of approximately HK\$0.2 and HK\$0.3 million as at 30 June 2020 and 31 December 2019, respectively, were pledged under finance leases.

As at 30 June 2020, the Group has pledged bank deposit of approximately HK\$2.9 million (31 December 2019: 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

In the ordinary course of the Group's plant hire service, trading of new or used construction machinery, tools and parts, and transportation and other services, 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 2020, the capital commitments contracted but not provided for amounted to approximately HK\$2,160,000 (31 December 2019: nil).

### **Capital Structure**

There has been no change in the capital structure of the Company during the six months ended 30 June 2020. The capital structure of the Company comprises of equity interest attributable to the owners of the Company (including issued share capital and reserves). The Directors regularly review the capital structure of the Company. As part of the review, the Directors consider the cost of capital and the associated risks of various types of capital.

### **Future Plans for Material Investments and Capital Assets**

As at 30 June 2020, the Group did not have other plans for material investments and capital assets acquisition.

### **Material Acquisitions and Disposals**

During the six months ended 30 June 2020, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

### **Employees and Remuneration Policy**

As at 30 June 2020, the Group employed 14 full-time employees (not including our Directors) and four part-time employees (30 June 2019: 14 full-time employees and two 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 2020 and 2019 amounted to approximately HK\$4.8 million and HK\$3.2 million respectively. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences.





## Use of Proceeds

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

	Planned amount as stated in the Prospectus HK\$ million	Actual amount utilised up to 31 December 2019 HK\$ million	Actual balance as at 31 December 2019 HK\$ million	Expected timeline for utilisation of unutilised net proceeds as at 31 December 2019	Actual balance as at 30 June 2020 HK\$ million	Expected timeline for utilisation of unutilised net proceeds as at 30 June 2020
Purchasing new construction machinery for strengthening our rental fleet (Note (a))	15.3	—	15.3	February 2020 - December 2020	12.1	September 2020 - December 2020
Settlement of remaining amount of consideration payable for a newly acquired crawler crane	10.3	10.3	—	—	10.3	—
Recruiting and expanding our team of skilled and technical personnel (Note (b))	1.5	—	1.5	April 2020 - December 2021	0.2	July 2020 - December 2021
Repayment of bank borrowings and finance leases	22.7	17.7	5.0	February 2020	22.7	—
General working capital	5.5	5.5	—	—	5.5	—
<b>Total</b>	<b>55.3</b>	<b>33.5</b>	<b>21.8</b>		<b>50.8</b>	<b>4.5</b>

Note:

- (a) As mentioned in the announcement of the Company dated 8 July 2020, due to COVID-19 and thus suspension of manufacturing of casing oscillator from manufacturer in Europe, the Group is advised that the expected earliest arrival time of new casing oscillator will be November 2020. In order to satisfy the projected market demand from late 2020, the Company proposed to change the use of the part of the remaining net proceeds amounting to approximately HK\$1.6 million to partially settle the consideration payable for acquisition of one casing oscillator, with the remaining balance to be settled out of the Group's internal resources.
- (b) The amount utilised up to 30 June 2020 is less than the amount set out in the section headed "Implementation Plans" of the Prospectus because suitable candidates were successfully hired later than the implementation plans.

## Contingent Liabilities

As at 30 June 2020, the Group did not have material contingent liabilities (31 December 2019: nil).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2020)

	Note	Three months ended 30 June		Six months ended 30 June	
		2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
<b>Revenue</b>	3	<b>15,537,074</b>	13,857,698	<b>43,332,997</b>	24,472,699
Cost of sales and services		<b>(10,075,698)</b>	(5,246,327)	<b>(28,142,106)</b>	(11,131,074)
<b>Gross profit</b>		<b>5,461,376</b>	8,611,371	<b>15,190,891</b>	13,341,625
Other income		<b>72,072</b>	13,787	<b>126,667</b>	17,097
Other operating expenses		<b>(1,823,031)</b>	(529,090)	<b>(3,161,305)</b>	(1,097,687)
Administrative expenses		<b>(2,899,273)</b>	(5,031,669)	<b>(6,397,870)</b>	(7,376,989)
Selling and distribution expenses		<b>(222,661)</b>	(237,098)	<b>(500,294)</b>	(501,528)
Finance costs		<b>(388,430)</b>	(1,068,452)	<b>(723,530)</b>	(2,043,042)
<b>Profit before taxation</b>	4	<b>200,053</b>	1,758,849	<b>4,534,559</b>	2,339,476
Income tax expense	5	<b>(268,122)</b>	(906,207)	<b>(1,342,737)</b>	(1,158,876)
<b>(Loss)/Profit for the period attributable to owners of the Company</b>		<b>(68,069)</b>	852,642	<b>3,191,822</b>	1,180,600
<b>Other comprehensive income for the period</b>		—	—	—	—
<b>Total comprehensive (expense)/income for the period attributable to owners of the Company</b>		<b>(68,069)</b>	852,642	<b>3,191,822</b>	1,180,600
<b>(Loss)/Earnings per share:</b>					
Basic and diluted (HK\$ cents)	7	<b>(0.01)</b>	0.19	<b>0.53</b>	0.26



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2020)

	Note	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
<b>Non-current assets</b>			
Plant and equipment	8	147,418,119	126,299,871
Right of use assets	8	871,688	1,354,343
		<b>148,289,807</b>	127,654,214
<b>Current assets</b>			
Inventories		1,149,505	1,149,505
Trade and other receivables	9	42,184,300	16,347,721
Bank balances and cash		8,166,513	25,910,589
Pledged bank deposits		2,920,964	2,915,421
		<b>54,421,282</b>	46,323,236
<b>Current liabilities</b>			
Trade and other payables	10	20,532,672	4,379,507
Borrowings — due within one year	11	10,000,000	5,594,214
Obligations under finance leases — due within one year	12	26,022,282	22,420,730
Bank overdrafts		563,634	—
Lease liabilities — current portion	13	646,483	814,707
		<b>57,765,071</b>	33,209,158
<b>Net current (liabilities)/assets</b>		<b>(3,343,789)</b>	13,114,078
<b>Total assets less current liabilities</b>		<b>144,946,018</b>	140,768,292
<b>Non-current liabilities</b>			
Obligations under finance lease — due after one year	12	54,337	99,864
Deferred tax liabilities		10,352,301	9,009,564
Lease liabilities — non current portion	13	238,067	549,373
		<b>10,644,705</b>	9,658,801
<b>Net assets</b>		<b>134,301,313</b>	131,109,491



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2020)

	Note	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
<b>Capital and reserves</b>			
Issued capital	14	6,000,000	6,000,000
Reserves		128,301,313	125,109,491
<b>Total equity</b>		<b>134,301,313</b>	131,109,491



# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(For the six months ended 30 June 2020)

	Issued capital HK\$	Share premium HK\$	Merger reserve HK\$ (Note i)	Convertible bonds equity reserve HK\$ (Note ii)	Retained profits HK\$	Total HK\$
At 1 January 2019 (audited)	1	3,000,000	5,499,999	864,000	29,618,408	38,982,408
Profit and total comprehensive income for the period	—	—	—	—	1,180,600	1,180,600
Issue of shares upon conversion of convertible bonds	—	14,944,216	—	—	—	14,944,216
Transfer of convertible bonds reserve upon conversion of convertible bonds	—	864,000	—	(864,000)	—	—
At 30 June 2019 (unaudited)	1	18,808,216	5,499,999	—	30,799,008	55,107,224
At 1 January 2020 (audited)	<b>6,000,000</b>	<b>87,856,272</b>	<b>5,499,999</b>	—	<b>31,753,220</b>	<b>131,109,491</b>
Profit and total comprehensive income for the period	—	—	—	—	<b>3,191,822</b>	<b>3,191,822</b>
At 30 June 2020 (unaudited)	<b>6,000,000</b>	<b>87,856,272</b>	<b>5,499,999</b>	—	<b>34,945,042</b>	<b>134,301,313</b>

Notes:

- (i) Merger reserve represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of World Super Limited, a subsidiary which was acquired by the Company pursuant to the Group Reorganisation (as defined in the Prospectus).
- (ii) The convertible bonds equity reserve represents the equity component of convertible bonds issued by the Company. Items included in convertible bonds equity reserve will not be reclassified subsequently to profit or loss.



# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(For the six months ended 30 June 2020)

	Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
<b>Net cash generated from operating activities</b>	<b>908,725</b>	19,014,842
<b>Investing activities</b>		
Purchase of plant and equipment	(19,204,931)	(8,412,171)
Proceeds from disposal of plant and equipment	—	351,000
Other cash flow arising from investing activities	33,145	40
<b>Net cash used in investing activities</b>	<b>(19,171,786)</b>	(8,061,131)
<b>Financing activities</b>		
Interest paid	(697,638)	(1,418,924)
New borrowings raised	10,000,000	—
Repayment of borrowings	(5,594,214)	(677,446)
Repayment of obligations under finance leases	(3,247,375)	(8,555,120)
Payment of listing expenses	—	(2,777,079)
Repayment of lease liabilities	(505,422)	(728,281)
<b>Net cash used in financing activities</b>	<b>(44,649)</b>	(14,156,850)
<b>Net decrease in cash and cash equivalents</b>	<b>(18,307,710)</b>	(3,203,139)
<b>Cash and cash equivalents at 1 January</b>	<b>25,910,589</b>	(1,176,586)
<b>Cash and cash equivalents at 30 June</b>	<b>7,602,879</b>	(4,379,725)
Cash and cash equivalents at end of the periods represented by		
Bank balances and cash	8,166,513	838,987
Bank overdrafts	(563,634)	(5,218,712)
	<b>7,602,879</b>	(4,379,725)



# NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

## 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 2020 and 2019 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 2019.

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 2019, except as described below.

As at 30 June 2020, the Group had incurred net current liabilities of approximately HK\$3.3 million. The directors of the Company consider that the Group will have sufficient working capital to finance its operation and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial information for the six months ended 30 June 2020 on a going concern basis after taking into consideration the following:

- The obligations under finance leases – due within one year (the "Leases") of approximately HK\$18.7 million with the repayment on demand clause which are not repayable within one year from the ended of the reporting period according to the repayment schedule were classified as current liabilities in accordance with HK Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause issued by the HKICPA. The Leases were pledged against the plant and machinery of HK\$43.5 million owned by the Group as at 30 June 2020, hence, its repayment is expected to be fully recovered through the realisation of this assets by sales should the repayment on demand clause be exercised.

### 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 2020)

### 3. REVENUE AND SEGMENT REPORTING

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

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

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

#### (a) Disaggregation of revenue

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

Revenue from contracts with customers within the scope of HKFRS 15	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Disaggregated by major products of service lines				
— General sales	3,430,724	1,064,994	16,130,524	4,395,464
— Transportation and other service income	510,850	287,700	2,989,897	772,990
	3,941,574	1,352,694	19,120,421	5,168,454
Revenue from other sources				
— Plant hire income	11,595,500	12,505,004	24,212,576	19,304,245
	15,537,074	13,857,698	43,332,997	24,472,699
Disaggregated by geographical location of customers				
— Hong Kong	1,097,731	10,442,697	1,216,731	16,711,610
— Macau	14,439,343	3,415,001	42,116,266	5,779,616
— Philippines	—	—	—	1,981,473
	15,537,074	13,857,698	43,332,997	24,472,699



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 3. REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (b) Segment revenue and result

For the six months ended 30 June 2020 (unaudited)

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



**NOTES TO THE UNAUDITED INTERIM  
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2020)

**3. REVENUE AND SEGMENT REPORTING (CONTINUED)**

**(b) Segment revenue and result (Continued)**

For the six months ended 30 June 2019 (unaudited)

	General sales from trading of machinery, tools and parts HK\$ (Unaudited)	Plant hire income HK\$ (Unaudited)	Transportation and other services income HK\$ (Unaudited)	Total HK\$ (Unaudited)
Revenue				
Segment revenue from external customers	4,395,464	19,304,245	772,990	24,472,669
Revenue recognition				
As a point in time under HKFRS 15	4,395,464	—	772,990	5,168,454
Under HKFRS 16	—	19,304,245	—	19,304,245
	4,395,464	19,304,245	772,990	24,472,699
<b>Results</b>				
Segment results	909,540	11,081,244	254,385	12,245,169
Unallocated income				17,097
Unallocated expense				(9,922,790)
Profit before taxation				2,339,476

The unallocated expenses including administration staff costs, selling and distributions expenses, listing expense, 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 maker for the purpose of resources allocation and assessment of performance.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 4. PROFIT BEFORE TAXATION

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

#### (a) Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Interest on bank borrowings	1,571	97,903	50,862	198,662
Interest on bank overdrafts	99,076	98,080	124,493	171,368
Interest on other borrowings	—	97,676	—	134,504
Interest on finance leases	276,174	539,800	522,283	1,048,894
Interest on lease liabilities	11,609	11,578	25,892	27,401
Effective interest expense on convertible bonds	—	223,415	—	462,213
	<b>388,430</b>	1,068,452	<b>723,530</b>	2,043,042

#### (b) Other items

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Cost of general sales	3,238,055	955,894	13,780,507	3,485,924
Depreciation on plant and equipment				
— owned assets	2,000,552	2,375,216	3,826,483	969,449
— assets held under finance lease	569,669	1,411,104	1,063,600	2,816,871
Depreciation on right of use assets	241,328	337,043	482,655	674,087
Listing expenses	—	3,412,798	—	4,071,798

**NOTES TO THE UNAUDITED INTERIM  
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2020)

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

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

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Current tax				
Hong Kong profit tax	—	—	—	—
Deferred taxation	<b>268,122</b>	906,207	<b>1,342,737</b>	1,158,876
	<b>268,122</b>	906,207	<b>1,342,737</b>	1,158,876

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. Macau segment result is included in Hong Kong tax implication during the periods.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 6. DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

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

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

	Three months ended 30 June		Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
<b>(Loss)/Earnings</b>				
(Loss)/Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share	<b>(68,069)</b>	852,642	<b>3,191,822</b>	1,180,600
<b>Number of shares</b>				
Issued ordinary shares (weighted average number of ordinary shares for purpose of basic earnings per share)	<b>600,000,000</b>	449,999,967	<b>600,000,000</b>	449,999,965
Basic (loss)/earnings per share (HK\$ cents)	<b>(0.01)</b>	0.19	<b>0.53</b>	0.26

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the period attributable to owners of the Company and the weighted average number of shares in issue. The number of shares for the purpose of basic earnings per share has been retrospectively adjusted for the 449,999,856 shares which were issued pursuant to the Capitalisation Issue (as defined in the Prospectus).

Diluted (loss)/earnings per share for the six months ended 30 June 2020 and 2019 were the same as the basic (loss)/earnings per share because the conversion of all potential ordinary shares arising from convertible bonds will have an anti-dilutive effect.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 8. CAPITAL EXPENDITURES

During the six months ended 30 June 2020, the Group acquired plant and equipment for a total cost of approximately HK\$26.0 million (six months ended 30 June 2019: approximately HK\$26.3 million). Items of plant and equipment with a carrying amount of nil were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: approximately HK\$0.3 million), resulting in a gain on disposal of nil (six months ended 30 June 2019: approximately HK\$0.1 million).

During the six months ended 30 June 2020 and 2019, the Group did not enter into any lease agreement which is required to be recognised as right of use asset.

### 9. TRADE AND OTHER RECEIVABLES

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Trade receivables	39,619,478	15,274,885
Deposits paid	323,185	323,185
Prepayments	2,128,087	584,969
Other receivables	113,550	164,682
	<b>42,184,300</b>	16,347,721

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

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Within 30 days	1,868,785	695,962
31 - 60 days	2,608,695	34,615
61 - 90 days	6,380,045	353,616
91 - 120 days	6,630,434	6,156,057
121 - 365 days	20,962,724	7,957,855
Over 1 year	1,168,795	76,780
	<b>39,619,478</b>	15,274,885

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 9. TRADE AND OTHER RECEIVABLES (CONTINUED)

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 2020 and 31 December 2019, included in the Group's trade receivable balances were debtors with an aggregate carrying amount of approximately HK\$37,877,709 and HK\$14,578,923, 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 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Over due:		
Within 30 days	2,716,704	34,615
31-60 days	4,504,698	353,616
61-90 days	5,306,278	2,335,307
91-120 days	8,042,849	6,018,750
121-365 days	16,245,270	5,759,855
Over 1 year	1,061,910	76,780
	<b>37,877,709</b>	14,578,923

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 2020 and 31 December 2019, the management of the Group considers that no provision for impairment is necessary in respect of these balances.

### 10. TRADE AND OTHER PAYABLES

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Trade payables	16,745,290	2,800,072
Contract liabilities (Note a)	1,120,000	300,000
Accrued expenses	1,388,302	1,264,437
Deposits and temporary received	1,279,080	14,998
	<b>20,532,672</b>	4,379,507

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 10. TRADE AND OTHER PAYABLES (CONTINUED)

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

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Within 30 days	1,595,413	853,358
30 - 60 days	1,648,883	81,769
61 - 90 days	3,677,014	163,005
Over 90 days	9,823,980	1,701,940
	<b>16,745,290</b>	<b>2,800,072</b>

Note a:

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

### 11. BORROWINGS

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Secured bank borrowings	—	594,214
Unsecured bank borrowings	10,000,000	5,000,000
Bank borrowings	<b>10,000,000</b>	<b>5,594,214</b>
	<b>At 30 June 2020 HK\$ (Unaudited)</b>	<b>At 31 December 2019 HK\$ (Audited)</b>
Borrowings that do not contain a repayable on demand clause:		
Within one year	—	594,214
More than one year, but not more than five years	—	—
Borrowings that contain a repayable on demand clause (shown under current liabilities):		
Within one year	10,000,000	5,000,000
More than one year, but not more than five years	—	—
	<b>10,000,000</b>	<b>5,594,214</b>
Less: Amounts due within one year shown under current liabilities	<b>(10,000,000)</b>	<b>(5,594,214)</b>
Amounts shown under non-current liabilities	—	—

As at 31 December 2019, the Group's borrowings are secured by the equipment with carrying amounts of approximately HK\$5.2 million.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 12. OBLIGATIONS UNDER FINANCE LEASES

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	26,022,282	22,420,730
Non-current liabilities	54,337	99,864
	<b>26,076,619</b>	22,520,594

According to HK-Int 5 which requires the classification of the whole term loans containing a repayment on demand clause as current liabilities, the aggregate carrying amounts of approximately HK\$18.7 million and HK\$16.3 million have been reclassified from non-current liabilities to current liabilities as at 30 June 2020 and 31 December 2019 respectively.

	Minimum lease payments At 30 June		Present value of minimum lease payments	
	2020 HK\$ (Unaudited)	2019 HK\$ (Audited)	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Within one year or contain a repayable on demand clause	28,232,390	24,363,651	26,022,282	22,420,730
In the second to fifth year inclusive	55,090	102,310	54,337	99,864
	<b>28,287,480</b>	24,465,961	<b>26,076,619</b>	22,520,594
Less: Future finance charges	<b>(2,210,861)</b>	(1,945,367)	—	—
Present value of finance lease obligations	<b>26,076,619</b>	22,520,594	<b>26,076,619</b>	22,520,594
Less: carrying amounts that are due for settlement within twelve months or contain a repayable on demand clause (shown under current liabilities)			<b>(26,022,282)</b>	(22,420,730)
Amount due shown under non-current liabilities			<b>54,337</b>	99,864

The Group acquires certain of its plant and machinery, and motor vehicles under finance leases. The average lease term entered by the Group for the finance leases outstanding as at 30 June 2020 and 31 December 2019 ranged from 4 to 5 years and 4 to 5 years respectively.

As at 30 June 2020 and 31 December 2019, the Group's borrowings, bank overdrafts and obligations under finance leases are secured and guaranteed by:

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

**NOTES TO THE UNAUDITED INTERIM  
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2020)

### 13. LEASE LIABILITIES

	<b>At 30 June 2020 HK\$ (Unaudited)</b>	At 31 December 2019 HK\$ (Audited)
Analysed for reporting purposes as:		
Current liabilities	<b>646,483</b>	814,707
Non-current liabilities	<b>238,067</b>	549,373
	<b>884,550</b>	1,364,080

The average lease term entered by the Group for the obligation under obligating leases as at 30 June 2020 and 31 December 2019 ranged from 2 to 3 years.

	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
	<b>At 30 June 2020 HK\$ (Unaudited)</b>	At 31 December 2019 HK\$ (Audited)	<b>At 30 June 2020 HK\$ (Unaudited)</b>	At 31 December 2019 HK\$ (Audited)
Amounts payable under obligating leases				
Within one year	<b>672,044</b>	856,844	<b>646,483</b>	814,707
More than one year but less than five years	<b>240,467</b>	561,089	<b>238,067</b>	549,373
	<b>912,511</b>	1,417,933	<b>884,550</b>	1,364,080
Less: future finance charges	<b>(27,961)</b>	(53,853)	—	—
Present value of obligation under obligating leases	<b>884,550</b>	1,364,080	<b>884,550</b>	1,364,080
Less: carrying amounts that due for settlement within twelve months			<b>(646,483)</b>	(814,707)
Amount due for settlement after twelve months			<b>238,067</b>	549,373

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 14. SHARE CAPITAL

	30 June 2020		31 December 2019	
	Number of shares (Unaudited)	Share capital HK\$ (Unaudited)	Number of shares (Audited)	Share capital HK\$ (Audited)
Ordinary shares of HK\$0.01 each (1 January 2019 and 31 December 2019: HK\$0.01 each)				
Authorized share capital				
At beginning of period/year (note a)	8,000,000,000	80,000,000	38,000,000	380,000
Increase in authorised shares (note b)	—	—	7,962,000,000	79,620,000
At end of period/year	8,000,000,000	80,000,000	8,000,000,000	80,000,000
Issued & fully paid				
At beginning of period/year	600,000,000	6,000,000	108	1
Issued of shares upon conversion of convertible bonds (note c)	—	—	36	—*
Issue of share pursuant to the capitalisation issue (note d)	—	—	449,999,856	4,499,999
Issue of shares under the share offer (note e)	—	—	150,000,000	1,500,000
At end of period/year	600,000,000	6,000,000	600,000,000	6,000,000

Note:

- (a) The Company was incorporated in the Cayman Islands as an exempted company on 26 February 2016. The initial authorised share capital of the Company was HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. Upon incorporation, one nil-paid subscriber share was allotted and issued to the subscriber, which was transferred to Mr. Sou Peng Kan Albert on 26 February 2016. On 31 May 2016, the Company allotted and issued 99 shares in aggregate to Mr. Sou Peng Kan Albert, Ms. Chu Wing Yee and Mr. Fok Hei Yuen Paul which were credited as fully paid as consideration for the transfer of their shareholding interest in World Super Limited to the Company.
- (b) Pursuant to the written resolutions of the sole shareholder passed on 21 June 2019, the authorised share capital of the Company increased from HK\$380,000 to HK\$80,000,000 divided into 8,000,000,000 ordinary shares of HK\$0.01 each by creation of an additional 7,962,000,000 shares.
- (c) On 24 June 2019, upon conversion of the convertible bonds, the company allotted and issued to each of Integrated Asset Management (Asia) Limited, Mr. Yang Fan and Rosy Dragon Global Limited, credited as fully paid, 12, 6 and 18 shares respectively.
- (d) Conditional on the share premium account of the Company being credited with the proceeds from the Share Offer, HK\$ 4,499,998.56 will be capitalised from the share premium account of the Company and applied in paying up in full at par 449,999,856 new shares for the allotment and issuance to the existing shareholders of the Company, being Mr. Sou Peng Kan Albert as to 228,124,927 Shares, Ms. Chu Wing Yee as to 34,374,989 shares, Mr. Fok Hei Yuen Paul as to 74,999,976 shares, Integrated Asset Management (Asia) Limited, a company incorporated in British Virgin Islands with limited liability, as to 37,499,988 shares, Mr. Yang Fan as to 18,749,994 shares and Rosy Dragon Global Limited, a company incorporated in British Virgin Islands with limited liability, as to 56,249,982 shares, on 12 July 2019.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 14. SHARE CAPITAL (CONTINUED)

Note: (Continued)

(e) In connection with the Listing, the Company allotted and issued a total of 150,000,000 ordinary shares at HK\$0.55 per share for an aggregate consideration of HK\$82,500,000.

\* Issued capital for the year less than HK\$1.0.

### 15. OPERATING LEASE COMMITMENTS

#### Operating lease commitments

##### *The Group as lessee*

As at 30 June 2020 and 31 December 2019, the Group had contracted for the following future minimum lease payments under non-cancellable operating lease which fall due as follows:

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Within one year	672,044	114,000
In the second to fifth years inclusive	240,467	—
	<b>912,511</b>	114,000

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

##### *The Group as lessor*

Income earned from leasing of machinery during the six months ended 30 June 2020 is HK\$24,212,576 (six months ended 30 June 2019: HK\$19,304,245). Leases are negotiated on a monthly basis.

As at 30 June 2020 and 31 December 2019, the Group had contracted with customers for the following future minimum lease payments:

	At 30 June 2020 HK\$ (Unaudited)	At 31 December 2019 HK\$ (Audited)
Within one year	3,088,769	25,251,538

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2020)

### 16. MATERIAL RELATED PARTY TRANSACTIONS

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

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

	Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Short-term employee benefits (note 1)	1,222,800	874,800
Post-employment benefits	—	—
	<b>1,222,800</b>	<b>874,800</b>

Note:

- (1) It included benefit in kind which represented the payment for settlement of lease liabilities of directors' quarter of approximately HK\$185,000 (six months ended 30 June 2019: approximately HK\$185,000).
- (b) As at 30 June 2019, certain banking facilities were secured by the personal guarantees from related parties of the Group.

### 17. CAPITAL COMMITMENTS

	At 30 June 2020 HK\$	At 31 December 2019 HK\$
Capital expenditure in respect of acquisition of plant and equipment		
Contract but not provided for	2,160,040	—
Authorized but not contracted for	—	—
	<b>2,160,040</b>	<b>—</b>

### 18. EVENTS AFTER THE REPORTING PERIOD

On 23 July 2020, the Company entered into a placing agreement pursuant to which the Company has agreed to issue 120,000,000 new ordinary shares of HK\$0.01 each at the placing price of HK\$0.061 per share by way of placing to not less than six independent places (the "Placement"). As at the date of the placing agreement, the closing market price of the Company's shares as quoted on the Stock Exchange was HK\$0.064 per share.

On 6 August 2020, the Placement was completed. The net proceeds from the issue of new shares after deducting related transaction costs was approximately HK\$7.0 million and will be used as general working capital of the Group.

For details, please refer to the announcements of the Company dated 23 July 2020 and 6 August 2020.

## OTHER INFORMATION

### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

### Purchase, Sale or Redemption of the Listed Securities

During the six months ended 30 June 2020, 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 2020.

### 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

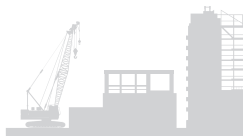
As at 30 June 2020, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have 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:

### Long Positions in the Shares

Name of Director	Nature of interest	Number of shares held/ interested	Approximate percentage of shareholding in Company (Note 2)
Mr. Sou Peng Kan Albert ("Mr. Sou")	Beneficial interest and interest of spouse	262,500,000 (Note 1)	43.75%

Notes:

- (1) Out of the 262,500,000 shares, 228,125,000 shares are registered in the name of Mr. Sou. The remaining 34,375,000 shares are registered in the name of Ms. Chu Wing Yee ("Ms. Chu"). Since Ms. Chu is the spouse of Mr. Sou, Mr. Sou is deemed to be interested in all the shares which Ms. Chu is interested in under the SFO.
- (2) As at 30 June 2020, the Company had 600,000,000 Shares in issue.



## OTHER INFORMATION

Save as disclosed above, as at 30 June 2020, 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 2020, so far as the Directors are aware, the following persons (other than Directors or chief executives of the Company) had or were deemed or taken to have the following interests and/or short positions in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO, or which were required to be as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

#### Long Positions in the Shares

Name of Shareholder	Nature of Interest	Number of shares held/ interested	Approximate percentage of shareholding in Company (Note 2)
Ms. Chu	Beneficial interest and interest of spouse	262,500,000 (Note 1)	43.75%

Notes:

- (1) Out of the 262,500,000 shares, 34,375,000 shares are registered in the name of Ms. Chu and the remaining 228,125,000 shares are registered in the name of Mr. Sou. As Mr. Sou is the spouse of Ms. Chu, Ms. Chu is deemed to be interested in all the shares which Mr. Sou is interested in under the SFO.
- (2) As at 30 June 2020, the Company had 600,000,000 Shares in issue.

Save as disclosed herein, as at 30 June 2020, 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

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

#### Directors' Rights To Acquire Shares

At no time during the six months ended 30 June 2020, were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.



## Directors' Interests in Significant Transactions, Arrangements or Contracts of Significance

There has been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during the six months ended 30 June 2020.

## Compliance with the Deed of Non-Competition

For the purpose of the listing of the Company, each of Mr. Sou and Ms. Chu, being the controlling shareholders of the Company, have entered into a deed of non-competition dated 21 June 2019 in favour of the Company, further details of which are disclosed in the section headed "Relationship with Our Controlling Shareholders" of the Prospectus and the non-competition undertaking has become effective from the Listing Date. The controlling shareholders have confirmed to the Company that they had complied with the non-competition undertaking during the six months ended 30 June 2020.

## Competing Interests

During the six months ended 30 June 2020, the Directors are not aware of any business or interest of each Director, controlling shareholder, management shareholder and their respective associates (as defined in GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## Changes of Directors' Information

As at 30 June 2020, 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. The Directors' updated information is set out below:

Mr. Leung Man Chiu Lawrence ("Mr. Leung") has been an independent non-executive director of SMC Electric Limited (Stock code: 2381) since 2 October 2019. The shares of SMC Electric Limited were listed on Main Board of the Stock Exchange on 2 June 2020. Mr. Leung resigned as non-executive Director of the Company on 21 July 2020.

## Corporate Governance Practices

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

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same person. The Company does not have a separate Chairman and CEO and Mr. Sou Peng Kan Albert 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 five-member composition of our Board, including two executive Directors, and three independent non-executive Directors.

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





## OTHER INFORMATION

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

### Interests of the Compliance Adviser

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Grand Moore Capital Limited as the compliance adviser (the "Compliance Adviser") with effect from 12 July 2019. As at 30 June 2020, as notified by the Compliance Adviser, save for the compliance adviser's agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

### Audit Committee

The Company has established an audit committee ("Audit Committee") with the written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system (including risk management) of the Group and provide advice and comments to the Board. As at the date of this report, the Audit Committee consists of three independent non-executive Directors who are Mr. Lee Tak Fai Thomas, Mr. Yau Lut Pong Leo and Mr. Yue Wai Leung Stan. Mr. Lee Tak Fai Thomas is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2020.

The condensed consolidated financial results of the Group for the six months ended 30 June 2020 have not been audited by the Company's auditor.

### Events After the Reporting Period

On 23 July 2020, the Company entered into a placing agreement pursuant to which the Company has agreed to issue 120,000,000 new ordinary shares of HK\$0.01 each at the placing price of HK\$0.061 per share by way of placing to not less than six independent placees (the "Placement"). As at the date of the placing agreement, the closing market price of the Company's shares as quoted on the Stock Exchange was HK\$0.064 per share.

On 6 August 2020, the Placement was completed. The net proceeds from the issue of new shares after deducting related transaction costs was approximately HK\$7.0 million and will be used as general working capital of the Group.

For details, please refer to the announcements of the Company dated 23 July 2020 and 6 August 2020.

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

Hong Kong, 13 August 2020

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

*This report will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the "Latest Company Announcements" 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](http://www.worldsuperhk.com).*

