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# **World Super Holdings Limited**

## **維亮控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 8612)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019**

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 for the six months ended 30 June 2019. This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2019 (the “**2019 Interim 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 interim results. The Company’s 2019 Interim Report will be available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.worldsuperhk.com](http://www.worldsuperhk.com) on 13 August 2019, and the printed version of the Company’s 2019 Interim Report will be delivered to the shareholders of the Company in due course.

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

Hong Kong, 13 August 2019

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

*This announcement, for which all the Directors collectively and individually accept full responsibility, includes the 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 in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and on the Company’s website at [www.worldsuperhk.com](http://www.worldsuperhk.com).*

# 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 2019



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

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

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

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*This report, for which the directors (the “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; (2) there are no other matters the omission of which would make any statement herein or this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.*





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## FINANCIAL HIGHLIGHTS

The board (the “Board”) of Directors (the “Directors”) of World Super Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2019, together with the comparative figures for the corresponding period in 2018 as follows:

### FINANCIAL HIGHLIGHTS

|                                                    | Six months ended 30 June    |                             | Change % |
|----------------------------------------------------|-----------------------------|-----------------------------|----------|
|                                                    | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |          |
| Revenue                                            | <b>24,472,699</b>           | 18,482,747                  | 32.4%    |
| Gross profit                                       | <b>13,341,625</b>           | 9,929,232                   | 34.4%    |
| Profit for the period                              | <b>1,180,600</b>            | 3,590,845                   | (67.1)%  |
| Profit for the period (excluding listing expenses) | <b>5,252,398</b>            | 3,881,630                   | 35.3%    |

The Group’s revenue for the six months ended 30 June 2019 amounted to approximately HK\$24.5 million, representing an increase of 32.4% as compared with that of the corresponding period in previous year.

Gross profit for the six months ended 30 June 2019 increased by 34.4% to approximately HK\$13.3 million.

Profit for the six months ended 30 June 2019 was approximately HK\$1.2 million.

Profit for the six months ended 30 June 2019 was approximately HK\$1.2 million and, if listing expenses incurred for obtaining a listing of the Company’s shares on the GEM of the Stock Exchange were excluded, the profit for the six months ended 30 June 2019 would be approximately HK\$5.3 million, representing an increase of 35.3% as compared with the corresponding period in the previous year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Prospects

#### *Business Review*

Our 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 our 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 our plant hire service for projects outside Hong Kong and marketing of construction machinery for our 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\$11.2 million for the six months ended 30 June 2018 to approximately HK\$19.3 million for the six months ended 30 June 2019. 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 decreased from approximately HK\$6.7 million for the six months ended 30 June 2018 to approximately HK\$4.4 million for the six months ended 30 June 2019. The decrease is mainly due to the decrease in trading of construction machinery, which is partially offset by 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\$0.5 million for the six months ended 30 June 2018 to approximately HK\$0.8 million for the six months ended 30 June 2019. The increase is mainly due to more transportation service fees charged to customers.

**Prospects**

2019 marked a milestone for the Company as its shares were successfully listed on GEM of the Stock Exchange on 12 July 2019 (the “Listing”). We are very pleased that the Company has received keen interest to the public offer of its shares. Through the Listing, the Group obtained public funding to finance its future development and further capturing the opportunities in the construction market of Hong Kong and Macau.

Looking forward, global economic instability and the recent local political unrest post uncertainties to the construction industry in Hong Kong. The Company foresees difficulties in business development in the year ahead. However, we will continue to implement our business strategies as set out in the prospectus of the Company dated 27 June 2019 (the “Prospectus”), in order to increase the Group’s income such that we can share our fruitful results with investors.

**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\$18.5 million for the six months ended 30 June 2018 to approximately HK\$24.5 million for the six months ended 30 June 2019, representing an increase of approximately 32.4% which mainly due to the increase in plant hire income. The increase in plant hire income is due to more owned fleet was used.

**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 2019, the Group’s cost of sales and services amount to approximately HK\$11.1 million (for the six months ended 30 June 2018: approximately HK\$8.6 million).

**Administrative Expenses**

Administrative expenses mainly include staff costs, depreciation on right of use assets and listing expenses. For the six months ended 30 June 2019, the Group’s administrative expenses amounted to approximately HK\$7.4 million (for the six months ended 30 June 2018: approximately HK\$3.5 million). The increment is mainly due to the increase in the listing expenses from approximately HK\$0.3 million for the six months ended 30 June 2018 to approximately HK\$4.1 million for the six months ended 30 June 2019.

**Taxation**

The Group recorded income tax expenses of approximately HK\$1.2 million and HK\$0.8 million for the six months ended 30 June 2019 and 2018 respectively, mainly because of the increase in taxable profit for the six months ended 30 June 2019.

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### Profit for the Period

For the six months ended 30 June 2019, the Group's profit for the period was approximately HK\$1.2 million (for the six months ended 30 June 2018: approximately HK\$3.6 million), which was mainly attributable to the increase in listing expenses from approximately HK\$0.3 million for the six months ended 30 June 2018 to approximately HK\$4.1 million for the six months ended 30 June 2019. If listing expenses incurred for obtaining the Listing were excluded, the profit for the six months ended 30 June 2019 would be approximately HK\$5.3 million, representing an increase of 35.3% as compared with the corresponding period in the previous year.

### 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's shares.

As at 30 June 2019, the Group had bank balances and cash of approximately HK\$0.8 million (31 December 2018: approximately HK\$0.3 million) and pledged bank deposits of approximately HK\$2.9 million (31 December 2018: approximately HK\$2.9 million). The increase was mainly from the receipts of cash generated from operating activities.

The interest-bearing loans of the Group as at 30 June 2019 was approximately HK\$57.1 million (31 December 2018: approximately HK\$69.9 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 2019 was approximately 103.6% (31 December 2018: approximately 179.4%).

### Significant Investments Held

During the six months ended 30 June 2019, 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\$91.3 million and HK\$94.8 million and motor vehicles with an aggregate net book value of approximately HK\$0.7 and HK\$0.9 million as at 30 June 2019 and 31 December 2018, respectively, were pledged under finance leases.

As at 30 June 2019, the Group has pledged bank deposit of approximately HK\$2.9 million (31 December 2018: 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 2019, the Group did not have any significant capital commitments (31 December 2018: approximately HK\$8,749,000).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Capital Structure

The Company's shares were successfully listed on GEM on 12 July 2019 (the "Listing Date"). There has been no change in the capital structure of the Company since the Listing Date and up to the date of this report. 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 2019, save for the business plans set out in the Prospectus, 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 2019, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

### Employees and Remuneration Policy

As at 30 June 2019, the Group employed 14 full-time employees (not including our Directors) and two part-time employees (30 June 2018: 13 full-time employees and two part-time employees). 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 net proceeds, after deduction of the related underwriting fees and issuance expenses paid by the Group in connection thereto, from the Share Offer (as defined in the Prospectus) received by the Company was approximately HK\$55.3 million.

The designated uses set out in the Prospectus as follows:

- approximately HK\$15.3 million will be used for purchasing new construction machinery for strengthening our rental fleet;
- approximately HK\$10.3 million will be used for settling the consideration payable for a newly acquired crawler crane;
- approximately HK\$22.7 million will be used for repaying bank borrowings and finance leases;
- approximately HK\$1.5 million will be used for recruiting and expanding our team of skilled and technical personnel; and
- approximately HK\$5.5 million will be used for working capital.

As the Listing Date was subsequent to 30 June 2019, the Group has yet to implement its business strategies as set out in the Prospectus during the period ended 30 June 2019. The Group will endeavour to achieve the milestone events as stated in the Prospectus in the next two financial years.

### Charges on the Group's Assets and Contingent Liabilities

As at 30 June 2019, there were no charges on the Group's assets and the Group did not have any contingent liabilities.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2019)

|                                                                                        | Note | Three months ended 30 June  |                             | Six months ended 30 June    |                             |
|----------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                        |      | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| <b>Revenue</b>                                                                         | 3    | <b>13,857,698</b>           | 10,833,731                  | <b>24,472,699</b>           | 18,482,747                  |
| Cost of sales and services                                                             |      | <b>(5,246,327)</b>          | (5,365,978)                 | <b>(11,131,074)</b>         | (8,553,515)                 |
| <b>Gross profit</b>                                                                    |      | <b>8,611,371</b>            | 5,467,753                   | <b>13,341,625</b>           | 9,929,232                   |
| Other income                                                                           |      | <b>13,787</b>               | 653,160                     | <b>17,097</b>               | 769,398                     |
| Other operating expenses                                                               |      | <b>(529,090)</b>            | (297,211)                   | <b>(1,097,687)</b>          | (441,340)                   |
| Administrative expenses                                                                |      | <b>(5,031,669)</b>          | (1,910,897)                 | <b>(7,376,989)</b>          | (3,513,750)                 |
| Selling and distribution expenses                                                      |      | <b>(237,098)</b>            | (237,729)                   | <b>(501,528)</b>            | (533,068)                   |
| Finance costs                                                                          |      | <b>(1,068,452)</b>          | (895,383)                   | <b>(2,043,042)</b>          | (1,784,840)                 |
| <b>Profit before taxation</b>                                                          | 4    | <b>1,758,849</b>            | 2,779,693                   | <b>2,339,476</b>            | 4,425,632                   |
| Income tax                                                                             | 5    | <b>(906,207)</b>            | (514,822)                   | <b>(1,158,876)</b>          | (834,787)                   |
| <b>Profit for the period attributable to owners of the Company</b>                     |      | <b>852,642</b>              | 2,264,871                   | <b>1,180,600</b>            | 3,590,845                   |
| <b>Other comprehensive income for the period</b>                                       |      | —                           | —                           | —                           | —                           |
| <b>Total comprehensive income for the period attributable to owners of the Company</b> |      | <b>852,642</b>              | 2,264,871                   | <b>1,180,600</b>            | 3,590,845                   |
| <b>Earnings per share:</b>                                                             |      |                             |                             |                             |                             |
| Basic and diluted (HK\$ cents)                                                         | 7    | <b>0.19</b>                 | 0.50                        | <b>0.26</b>                 | 0.80                        |

The accompanying notes form an integral part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2019)

|                                                        | Note | At<br>30 June<br>2019<br>HK\$<br>(Unaudited) | At<br>31 December<br>2018<br>HK\$<br>(Audited) |
|--------------------------------------------------------|------|----------------------------------------------|------------------------------------------------|
| <b>Non-current assets</b>                              |      |                                              |                                                |
| Plant and equipment                                    | 8    | 128,393,023                                  | 106,245,193                                    |
| Right of use assets                                    | 8    | 726,391                                      | 1,400,478                                      |
|                                                        |      | <b>129,119,414</b>                           | 107,645,671                                    |
| <b>Current assets</b>                                  |      |                                              |                                                |
| Inventories                                            |      | 1,114,505                                    | 1,404,505                                      |
| Trade and other receivables                            | 9    | 14,593,625                                   | 13,526,512                                     |
| Bank balances and cash                                 |      | 838,987                                      | 313,138                                        |
| Pledged bank deposits                                  |      | 2,908,545                                    | 2,902,912                                      |
|                                                        |      | <b>19,455,662</b>                            | 18,147,067                                     |
| <b>Current liabilities</b>                             |      |                                              |                                                |
| Trade and other payables                               | 10   | 28,197,852                                   | 9,867,245                                      |
| Borrowings — due within one year                       | 11   | 7,290,164                                    | 7,373,304                                      |
| Obligations under finance leases — due within one year | 12   | 43,456,218                                   | 44,026,065                                     |
| Convertible bonds — due within one year                | 13   | —                                            | 14,482,003                                     |
| Bank overdrafts                                        |      | 5,218,712                                    | 1,489,724                                      |
| Lease liabilities — current portion                    | 14   | 706,317                                      | 1,225,497                                      |
|                                                        |      | <b>84,869,263</b>                            | 78,463,838                                     |
| <b>Net current liabilities</b>                         |      | <b>(65,413,601)</b>                          | (60,316,771)                                   |
| <b>Total assets less current liabilities</b>           |      | <b>63,705,813</b>                            | 47,328,900                                     |
| <b>Non-current liabilities</b>                         |      |                                              |                                                |
| Borrowings — due after one year                        | 11   | —                                            | 594,306                                        |
| Obligations under finance lease — due after one year   | 12   | 396,029                                      | 526,802                                        |
| Deferred tax liabilities                               |      | 8,171,876                                    | 7,013,000                                      |
| Lease liabilities — non current portion                | 14   | 30,684                                       | 212,384                                        |
|                                                        |      | <b>8,598,589</b>                             | 8,346,492                                      |
| <b>Net assets</b>                                      |      | <b>55,107,224</b>                            | 38,982,408                                     |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2019)

|                             | Note | At<br>30 June<br>2019<br>HK\$<br>(Unaudited) | At<br>31 December<br>2018<br>HK\$<br>(Audited) |
|-----------------------------|------|----------------------------------------------|------------------------------------------------|
| <b>Capital and reserves</b> |      |                                              |                                                |
| Issued capital              | 15   | 1                                            | 1                                              |
| Reserves                    |      | 55,107,223                                   | 38,982,407                                     |
| <b>Total equity</b>         |      | 55,107,224                                   | 38,982,408                                     |

The interim financial report was approved and authorised for issue by the board of directors on 13 August 2019 and were signed on its behalf by:

**Sou Peng Kan Albert**  
Director

**Fok Hei Yuen Paul**  
Director

The accompanying notes form an integral part of this interim financial report.

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(For the six months ended 30 June 2019)

|                                                                               | Issued<br>capital<br>HK\$ | Share<br>premium<br>HK\$ | Merger<br>reserve<br>HK\$<br>(Note i) | Convertible<br>bonds equity<br>reserve<br>HK\$<br>(Note ii) | Retained<br>profits<br>HK\$ | Total<br>HK\$     |
|-------------------------------------------------------------------------------|---------------------------|--------------------------|---------------------------------------|-------------------------------------------------------------|-----------------------------|-------------------|
| At 1 January 2018 (audited)                                                   | 1                         | —                        | 5,499,999                             | 864,000                                                     | 21,592,288                  | 27,956,288        |
| Profit and total comprehensive income<br>for the period                       | —                         | —                        | —                                     | —                                                           | 3,590,845                   | 3,590,845         |
| At 30 June 2018 (unaudited)                                                   | 1                         | —                        | 5,499,999                             | 864,000                                                     | 25,183,133                  | 31,547,133        |
| At 1 January 2019 (audited)                                                   | <b>1</b>                  | <b>3,000,000</b>         | <b>5,499,999</b>                      | <b>864,000</b>                                              | <b>29,618,408</b>           | <b>38,982,408</b> |
| Profit and total comprehensive income<br>for the period                       | —                         | —                        | —                                     | —                                                           | <b>1,180,600</b>            | <b>1,180,600</b>  |
| Issue of shares upon conversion of<br>convertible bonds                       | —                         | <b>14,944,216</b>        | —                                     | —                                                           | —                           | <b>14,944,216</b> |
| Transfer of convertible bonds reserve<br>upon conversion of convertible bonds | —                         | <b>864,000</b>           | —                                     | <b>(864,000)</b>                                            | —                           | —                 |
| At 30 June 2019 (unaudited)                                                   | <b>1</b>                  | <b>18,808,216</b>        | <b>5,499,999</b>                      | —                                                           | <b>30,799,008</b>           | <b>55,107,224</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.

The accompanying notes form an integral part of this interim financial report.

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(For the six months ended 30 June 2019)

|                                                                | Six months ended 30 June    |                             |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| <b>Net cash generated from operating activities</b>            | <b>19,014,842</b>           | 6,079,630                   |
| <b>Investing activities</b>                                    |                             |                             |
| Purchase of plant and equipment                                | (8,412,171)                 | (3,012,461)                 |
| Proceeds from disposal of plant and equipment                  | 351,000                     | 891,700                     |
| Other cash flow arising from investing activities              | 40                          | 10                          |
| <b>Net cash used in investing activities</b>                   | <b>(8,061,131)</b>          | (2,120,751)                 |
| <b>Financing activities</b>                                    |                             |                             |
| Interest paid                                                  | (1,418,924)                 | (1,219,126)                 |
| New borrowings raised                                          | —                           | 3,000,000                   |
| Repayment of borrowings                                        | (677,446)                   | (643,142)                   |
| Repayment of obligations under finance leases                  | (8,555,120)                 | (5,900,736)                 |
| Payment of listing expenses                                    | (2,777,079)                 | (290,785)                   |
| Repayment of lease liabilities                                 | (728,281)                   | (728,279)                   |
| <b>Net cash used in financing activities</b>                   | <b>(14,156,850)</b>         | (5,782,068)                 |
| <b>Net decrease in cash and cash equivalents</b>               | <b>(3,203,139)</b>          | (1,823,189)                 |
| <b>Cash and cash equivalents at 1 January</b>                  | <b>(1,176,586)</b>          | (3,881,898)                 |
| <b>Cash and cash equivalents at 30 June</b>                    | <b>(4,379,725)</b>          | (5,705,087)                 |
| Cash and cash equivalents at end of the periods represented by |                             |                             |
| Bank balances and cash                                         | 838,987                     | 235,118                     |
| Bank overdrafts                                                | (5,218,712)                 | (5,940,205)                 |
|                                                                | <b>(4,379,725)</b>          | (5,705,087)                 |

The accompanying notes form an integral part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

## 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 2019 and 2018 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants 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 2018.

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 2018, except as described below.

### Adoption of new/revised HKFRS

The adoption of the new/revised HKFRS 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 HKFRS 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 HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

## 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.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

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

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    |                             |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                    | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Disaggregated by major products of service lines                   |                             |                             |                             |                             |
| — General sales                                                    | 1,064,994                   | 4,727,472                   | 4,395,464                   | 6,728,412                   |
| — Transportation and other service income                          | 287,700                     | 313,400                     | 772,990                     | 543,650                     |
|                                                                    | 1,352,694                   | 5,040,872                   | 5,168,454                   | 7,272,062                   |
| Revenue from other sources                                         |                             |                             |                             |                             |
| — Plant hire income                                                | 12,505,004                  | 5,792,859                   | 19,304,245                  | 11,210,685                  |
|                                                                    | 13,857,698                  | 10,833,731                  | 24,472,699                  | 18,482,747                  |
| Disaggregated by geographical location of customers                |                             |                             |                             |                             |
| — Hong Kong                                                        | 10,442,697                  | 4,104,678                   | 16,711,610                  | 8,630,177                   |
| — Macau                                                            | 3,415,001                   | 6,729,053                   | 5,779,616                   | 9,852,570                   |
| — Philippines                                                      | —                           | —                           | 1,981,473                   | —                           |
|                                                                    | 13,857,698                  | 10,833,731                  | 24,472,699                  | 18,482,747                  |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

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

#### (b) Segment revenue and result

For the six months ended 30 June 2019 (unaudited)

|                                                   | General sales<br>from trading<br>of machinery,<br>tools and parts<br>HK\$<br>(Unaudited) | Plant hire<br>income<br>HK\$<br>(Unaudited) | Transportation<br>and other<br>services<br>income<br>HK\$<br>(Unaudited) | Total<br>HK\$<br>(Unaudited) |
|---------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------|------------------------------|
| Disaggregated by timing<br>of revenue recognition |                                                                                          |                                             |                                                                          |                              |
| Point in time                                     | 4,395,464                                                                                | —                                           | 772,990                                                                  | 5,168,454                    |
| Over time                                         | —                                                                                        | 19,304,245                                  | —                                                                        | 19,304,245                   |
| Revenue from external customers                   | 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                    |

**NOTES TO THE UNAUDITED INTERIM  
FINANCIAL STATEMENTS**

(For the six months ended 30 June 2019)

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

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

For the six months ended 30 June 2018 (unaudited)

|                                                   | General sales<br>from trading<br>of machinery,<br>tools and parts<br>HK\$<br>(Unaudited) | Plant hire<br>income<br>HK\$<br>(Unaudited) | Transportation<br>and other<br>services<br>income<br>HK\$<br>(Unaudited) | Total<br>HK\$<br>(Unaudited) |
|---------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------|------------------------------|
| Disaggregated by timing<br>of revenue recognition |                                                                                          |                                             |                                                                          |                              |
| Point in time                                     | 6,728,412                                                                                | —                                           | 539,800                                                                  | 7,268,212                    |
| Over time                                         | —                                                                                        | 11,210,685                                  | 3,850                                                                    | 11,214,535                   |
| Revenue from external customers                   | 6,728,412                                                                                | 11,210,685                                  | 543,650                                                                  | 18,482,747                   |
| <b>Results</b>                                    |                                                                                          |                                             |                                                                          |                              |
| Segment results                                   | 2,638,827                                                                                | 6,705,783                                   | 144,558                                                                  | 9,489,168                    |
| Unallocated income                                |                                                                                          |                                             |                                                                          | 769,398                      |
| Unallocated expense                               |                                                                                          |                                             |                                                                          | (5,832,934)                  |
| Profit before taxation                            |                                                                                          |                                             |                                                                          | 4,425,632                    |

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 2019)

### 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    |                             |
|----------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                    | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Interest on bank borrowings                        | 97,903                      | 136,076                     | 198,662                     | 253,719                     |
| Interest on bank overdrafts                        | 98,080                      | 92,370                      | 171,368                     | 181,849                     |
| Interest on other borrowings                       | 97,676                      | —                           | 134,504                     | —                           |
| Interest on finance leases                         | 539,800                     | 393,973                     | 1,048,894                   | 783,558                     |
| Interest on lease liabilities                      | 11,578                      | 20,454                      | 27,401                      | 45,133                      |
| Effective interest expense on<br>Convertible Bonds | 223,415                     | 252,510                     | 462,213                     | 520,581                     |
|                                                    | 1,068,452                   | 895,383                     | 2,043,042                   | 1,784,840                   |

#### (b) Staff costs (including directors' emoluments)

|                                             | Three months ended 30 June  |                             | Six months ended 30 June    |                             |
|---------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                             | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Salaries, allowances and other benefits     | 1,533,459                   | 1,305,583                   | 3,062,994                   | 2,616,111                   |
| Bonus                                       | —                           | —                           | —                           | —                           |
| Retirement benefits scheme<br>contributions | 47,002                      | 39,380                      | 92,524                      | 78,206                      |
|                                             | 1,580,461                   | 1,344,963                   | 3,155,518                   | 2,694,317                   |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 4. PROFIT BEFORE TAXATION (CONTINUED)

#### (c) Other items

|                                     | Three months ended 30 June  |                             | Six months ended 30 June    |                             |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                     | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Cost of general sales               | 955,894                     | 3,194,599                   | 3,485,924                   | 4,089,585                   |
| Depreciation on plant and equipment |                             |                             |                             |                             |
| — owned assets                      | 2,375,216                   | 305,076                     | 969,449                     | 603,921                     |
| — assets held under finance lease   | 1,411,104                   | 1,177,761                   | 2,816,871                   | 2,288,856                   |
| Depreciation on right of use assets | 337,043                     | 336,673                     | 674,087                     | 673,345                     |
| Listing expenses                    | 3,412,798                   | 290,785                     | 4,071,798                   | 290,785                     |

### 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        |                                 |
|------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                        | 2019<br>HK\$'000<br>(Unaudited) | 2018<br>HK\$'000<br>(Unaudited) | 2019<br>HK\$'000<br>(Unaudited) | 2018<br>HK\$'000<br>(Unaudited) |
| Current tax            |                                 |                                 |                                 |                                 |
| — Hong Kong profit tax | —                               | —                               | —                               | —                               |
| Deferred taxation      | 906,207                         | 514,822                         | 1,158,876                       | 834,787                         |
|                        | 906,207                         | 514,822                         | 1,158,876                       | 834,787                         |

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 2019)

### 6. DIVIDENDS

No dividend has been paid or declared by the Group during the six months ended 30 June 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

### 7. BASIC AND DILUTED EARNINGS PER SHARE

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

|                                                                                                            | Three months ended               |                                  | Six months ended                 |                                  |
|------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                                                                                                            | 30.6.2019<br>HK\$<br>(Unaudited) | 30.6.2018<br>HK\$<br>(Unaudited) | 30.6.2019<br>HK\$<br>(Unaudited) | 30.6.2018<br>HK\$<br>(Unaudited) |
| <b>Earnings</b>                                                                                            |                                  |                                  |                                  |                                  |
| Earnings for the period attributable to owners of the Company for the purpose of basic earnings per share  | <b>852,642</b>                   | 2,264,871                        | <b>1,180,600</b>                 | 3,590,845                        |
| <b>Number of shares</b>                                                                                    |                                  |                                  |                                  |                                  |
| Issued ordinary shares (weighted average number of ordinary shares for purpose of basic earning per share) | <b>449,999,967</b>               | 449,999,956                      | <b>449,999,965</b>               | 449,999,956                      |
| Basic earnings per share (HK\$ cents)                                                                      | <b>0.19</b>                      | 0.50                             | <b>0.26</b>                      | 0.80                             |

The calculation of basic earnings per share is based on the 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 earnings per share for the six months ended 30 June 2019 and 2018 were the same as the basic 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 2019)

### 8. CAPITAL EXPENDITURES

During the six months ended 30 June 2019, the Group acquired plant and equipment for a total cost of approximately HK\$26.3 million (year ended 31 December 2018: approximately HK\$32.6 million). Items of plant and equipment with a carrying amount of approximately \$0.3 million were disposed of during the six months ended 30 June 2019 (six months ended 30 June 2018: approximately HK\$0.1 million), resulting in a gain on disposal of \$0.1 million (six months ended 30 June 2018: approximately HK\$0.8 million).

During the six months ended 30 June 2019 and 2018, the Group did not enter into any lease agreement which is required to recognised as right of use asset.

### 9. TRADE AND OTHER RECEIVABLES

|                   | At<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|-------------------|-------------------------------------------|---------------------------------------------|
| Trade receivables | 11,093,829                                | 10,304,809                                  |
| Deposits paid     | 292,786                                   | 906,981                                     |
| Prepayments       | 3,207,010                                 | 2,311,608                                   |
| Other receivables | —                                         | 3,114                                       |
|                   | <b>14,593,625</b>                         | 13,526,512                                  |

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

|                | At<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|----------------|-------------------------------------------|---------------------------------------------|
| Within 30 days | 2,801,316                                 | 1,989,189                                   |
| 31 - 60 days   | 3,633,111                                 | 3,732,078                                   |
| 61 - 90 days   | 1,918,694                                 | 3,220,400                                   |
| 91 - 120 days  | 1,778,991                                 | 722,531                                     |
| 121 - 365 days | 961,717                                   | 640,611                                     |
|                | <b>11,093,829</b>                         | 10,304,809                                  |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 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 2019 and 31 December 2018, included in the Group's trade receivable balances were debtors with an aggregate carrying amount of approximately HK\$8,536,000 and HK\$8,319,000, 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<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|----------------|-------------------------------------------|---------------------------------------------|
| Over due:      |                                           |                                             |
| Within 30 days | 3,831,061                                 | 2,760,757                                   |
| 31-60 days     | 1,963,898                                 | 3,545,015                                   |
| 61-90 days     | 1,549,391                                 | 1,372,916                                   |
| 91-120 days    | 1,103,600                                 | 375,000                                     |
| 121-365 days   | 87,717                                    | 265,611                                     |
|                | <b>8,535,667</b>                          | <b>8,319,299</b>                            |

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 2019 and 31 December 2018, the management of the Group considers that no provision for impairment is necessary in respect of these balances.

### 10. TRADE AND OTHER PAYABLES

|                                 | At<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|---------------------------------|-------------------------------------------|---------------------------------------------|
| Trade payables                  | 19,570,372                                | 1,625,592                                   |
| Accrued expenses                | 5,496,358                                 | 3,176,032                                   |
| Deposits and temporary received | 3,131,122                                 | 5,065,621                                   |
|                                 | <b>28,197,852</b>                         | <b>9,867,245</b>                            |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 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<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|----------------|-------------------------------------------|---------------------------------------------|
| Within 30 days | 5,489,062                                 | 493,710                                     |
| 30 - 60 days   | 984,066                                   | 290,825                                     |
| 61 - 90 days   | 1,724,740                                 | 219,531                                     |
| Over 90 days   | 11,372,504                                | 621,526                                     |
|                | <b>19,570,372</b>                         | 1,625,592                                   |

### 11. BORROWINGS

|                                                                                            | At 30 June<br>2019<br>HK\$<br>(Unaudited)           | At 31 December<br>2018<br>HK\$<br>(Audited)           |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Secured bank borrowings                                                                    | 1,290,164                                           | 1,967,610                                             |
| Unsecured bank borrowings                                                                  | 6,000,000                                           | 6,000,000                                             |
| Bank borrowings                                                                            | <b>7,290,164</b>                                    | 7,967,610                                             |
|                                                                                            | <b>At 30 June<br/>2019<br/>HK\$<br/>(Unaudited)</b> | <b>At 31 December<br/>2018<br/>HK\$<br/>(Audited)</b> |
| Borrowings that do not contain a repayable on demand clause:                               |                                                     |                                                       |
| Within one year                                                                            | 1,290,164                                           | 1,373,304                                             |
| More than one year, but not more than five years                                           | —                                                   | 594,306                                               |
| Borrowings that contain a repayable on demand clause<br>(shown under current liabilities): |                                                     |                                                       |
| Within one year                                                                            | 6,000,000                                           | 6,000,000                                             |
| More than one year, but not more than five years                                           | —                                                   | —                                                     |
|                                                                                            | <b>7,290,164</b>                                    | 7,967,610                                             |
| Less: Amounts due within one year shown under current liabilities                          | <b>(7,290,164)</b>                                  | (7,373,304)                                           |
| Amounts shown under non-current liabilities                                                | —                                                   | 594,306                                               |

As at 30 June 2019 and 31 December 2018, the Group's borrowings are secured by the equipment with carrying amounts of approximately HK\$5.5 million and HK\$5.8 million respectively.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 12. OBLIGATIONS UNDER FINANCE LEASES

|                                     | At 30 June<br>2019<br>HK\$<br>(Unaudited) | At 31 December<br>2018<br>HK\$<br>(Audited) |
|-------------------------------------|-------------------------------------------|---------------------------------------------|
| Analysed for reporting purposes as: |                                           |                                             |
| Current liabilities                 | 43,456,218                                | 44,026,065                                  |
| Non-current liabilities             | 396,029                                   | 526,802                                     |
|                                     | <b>43,852,247</b>                         | 44,552,867                                  |

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\$28.7 million and HK\$28.8 million have been reclassified from non-current liabilities to current liabilities as at 30 June 2019 and 31 December 2018 respectively.

|                                                                                                                                                            | Minimum lease payments<br>At 30 June |                           | Present value of<br>minimum lease payments |                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------|--------------------------------------------|---------------------------------------------|
|                                                                                                                                                            | 2019<br>HK\$<br>(Unaudited)          | 2018<br>HK\$<br>(Audited) | At 30 June<br>2019<br>HK\$<br>(Unaudited)  | At 31 December<br>2018<br>HK\$<br>(Audited) |
| Within one year or contain a repayable<br>on demand clause                                                                                                 | 47,011,127                           | 47,668,797                | 43,456,218                                 | 44,026,065                                  |
| In the second to fifth year inclusive                                                                                                                      | 411,622                              | 551,818                   | 396,029                                    | 526,802                                     |
|                                                                                                                                                            | <b>47,422,749</b>                    | 48,220,615                | <b>43,852,247</b>                          | 44,552,867                                  |
| Less: Future finance charges                                                                                                                               | <b>(3,570,502)</b>                   | (3,667,748)               | —                                          | —                                           |
| Present value of finance lease obligations                                                                                                                 | <b>43,852,247</b>                    | 44,552,867                | <b>43,852,247</b>                          | 44,552,867                                  |
| Less: carrying amounts that are due for settlement<br>within twelve months or contain a<br>repayable on demand clause (shown<br>under current liabilities) |                                      |                           | <b>(43,456,218)</b>                        | (44,026,065)                                |
| Amount due shown under<br>non-current liabilities                                                                                                          |                                      |                           | <b>396,029</b>                             | 526,802                                     |

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 2019 and 31 December 2018 ranged from 4 to 5 years and 4 to 5 years respectively.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 12. OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

As at 30 June 2019 and 31 December 2018, the Group's borrowings, bank overdrafts and obligations under finance leases are secured and guaranteed by:

- the leased assets;
- personal guarantees given by the Group's directors and/or shareholders, Mr. Sou Peng Kan Albert and Mr. Fok Hei Yuen Paul; and
- pledged deposits of the Group of approximately HK\$2.9 million.

### 13. CONVERTIBLE BONDS

The Company issued 8% Convertible Bonds (as defined in the Prospectus) in the principal amount of HK\$12,000,000 on 30 May 2016. The Convertible Bonds are denominated in Hong Kong dollars. The bonds entitle the holders to convert them in full at five business days before the latest practicable date prior to the issue of the prospectus in relation to the listing of shares of the Company on the Stock Exchange. The number of conversion shares represents 25% of the entire issued share capital of the Company immediately before listing of shares and 18.75% of the entire issued share capital of the Company upon listing of shares. No interest shall be payable by the Company if the entire conversion rights attaching to the Convertible Bonds are exercised before the maturity date, which is on the first anniversary of the date of issue of convertible bonds. The Convertible Bonds shall bear interest at a coupon rate of eight per cent per annum on the outstanding principal amount of the Convertible Bonds calculated from the date of issue of the Convertible Bonds to and including the maturity date. The Company shall not be permitted to redeem the entire or part of the outstanding amount under the Convertible Bonds before the maturity date.

The Convertible Bonds contain two components, liability and equity elements. The equity element is presented in equity heading "convertible bonds equity reserve". The effective interest rate of the liability component is 16.38% per annum.

By the supplemental instrument and agreement dated 28 March 2017, 4 May 2018 and 24 May 2019 (the "Supplemental Instrument"), the maturity date of the Convertible Bonds was extended to 30 May 2018, 30 May 2019 and 31 August 2019 (new maturity date) and the conversion period will accordingly be extended.

On 18 December 2018, Trade Mass Limited disposed of all its Convertible Bonds in the principal amount of HK\$6,000,000 to two purchasers namely, Integrated Asset Management (Asia) Limited and Mr. Yang Fan, at the consideration of HK\$4,000,000 and HK\$2,000,000, respectively. Completion of the aforesaid transfers took place on the same date.

Save as amended for the maturity date and the use of proceeds by the Supplemental Instrument, all terms of the Convertible Bonds remain unchanged.

On 24 June 2019, all the Convertible Bonds were converted into 36 ordinary shares of the Company of HK\$0.01 each upon the approval of the Listing by the Stock Exchange as set out in note 15(d).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 13. CONVERTIBLE BONDS (CONTINUED)

The movement of the liability component of the Convertible Bonds for the year/period is set out below:

|                                                     | At 30 June<br>2019<br>HK\$<br>(Unaudited) | At 31 December<br>2018<br>HK\$<br>(Audited) |
|-----------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Carrying amount at the beginning of the period/year | 14,482,003                                | 13,473,214                                  |
| Interest charge                                     | 462,213                                   | 1,008,789                                   |
| Interest paid                                       | —                                         | —                                           |
| Converted during the period                         | (14,944,216)                              | —                                           |
| Carrying amount at the end of the period/year       | —                                         | 14,482,003                                  |
| Analysed for reporting purpose as                   |                                           |                                             |
| Current liabilities                                 | —                                         | 14,482,003                                  |
| Non-current liabilities                             | —                                         | —                                           |
|                                                     | —                                         | 14,482,003                                  |

### 14. LEASE LIABILITIES

|                                     | At 30 June<br>2019<br>HK\$<br>(Unaudited) | At 31 December<br>2018<br>HK\$<br>(Audited) |
|-------------------------------------|-------------------------------------------|---------------------------------------------|
| Analysed for reporting purposes as: |                                           |                                             |
| Current liabilities                 | 706,317                                   | 1,225,497                                   |
| Non-current liabilities             | 30,684                                    | 212,384                                     |
|                                     | 737,001                                   | 1,437,881                                   |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 14. LEASE LIABILITIES (CONTINUED)

The average lease term entered by the Group for the obligation under obligating leases as at 30 June 2019 and 31 December 2018 ranged from 2 to 3 years.

|                                                                     | Minimum lease payments                 |                                          | Present value of minimum lease payments |                                          |
|---------------------------------------------------------------------|----------------------------------------|------------------------------------------|-----------------------------------------|------------------------------------------|
|                                                                     | At 30 June 2019<br>HK\$<br>(Unaudited) | At 31 December 2018<br>HK\$<br>(Audited) | At 30 June 2019<br>HK\$<br>(Unaudited)  | At 31 December 2018<br>HK\$<br>(Audited) |
| Amounts payable under obligating leases                             |                                        |                                          |                                         |                                          |
| Within one year                                                     | <b>720,210</b>                         | 1,263,690                                | <b>706,317</b>                          | 1,225,497                                |
| More than one year but less than five years                         | <b>30,800</b>                          | 215,600                                  | <b>30,684</b>                           | 212,384                                  |
|                                                                     | <b>751,010</b>                         | 1,479,290                                | <b>737,001</b>                          | 1,437,881                                |
| Less: future finance charges                                        | <b>(14,009)</b>                        | (41,409)                                 | —                                       | —                                        |
| Present value of obligation under obligating leases                 | <b>737,001</b>                         | 1,437,881                                | <b>737,001</b>                          | 1,437,881                                |
| Less: carrying amounts that due for settlement within twelve months |                                        |                                          | <b>(706,317)</b>                        | (1,225,497)                              |
| Amount due for settlement after twelve months                       |                                        |                                          | <b>30,684</b>                           | 212,384                                  |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 15. SHARE CAPITAL

|                                                                                             | 30 June 2019                           |                                         | 31 December 2018                     |                                       |
|---------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|--------------------------------------|---------------------------------------|
|                                                                                             | Number<br>of shares<br><br>(Unaudited) | Share<br>capital<br>HK\$<br>(Unaudited) | Number<br>of shares<br><br>(Audited) | Share<br>capital<br>HK\$<br>(Audited) |
| Ordinary shares of HK\$0.01 each<br>(1 January 2019 and<br>31 December 2018: HK\$0.01 each) |                                        |                                         |                                      |                                       |
| Authorized share capital                                                                    |                                        |                                         |                                      |                                       |
| At beginning of period/year (a)                                                             | 38,000,000                             | 380,000                                 | 38,000,000                           | 380,000                               |
| Increase in authorised shares (b)                                                           | 7,962,000,000                          | 79,620,000                              | —                                    | —                                     |
| At end of period/year                                                                       | 8,000,000,000                          | 80,000,000                              | 38,000,000                           | 380,000                               |
| Issued & fully paid                                                                         |                                        |                                         |                                      |                                       |
| At beginning of period/year                                                                 | 108                                    | 1                                       | 100                                  | 1                                     |
| Issued during the period/year (c)                                                           | —                                      | —                                       | 8                                    | —*                                    |
| Issued of shares upon conversion of<br>Convertible Bonds (d)                                | 36                                     | — <sup>#</sup>                          | —                                    | —                                     |
| At end of period/year                                                                       | 144                                    | 1                                       | 108                                  | 1                                     |

- (a) The Company was incorporated and registered as an exempted company in the Cayman Islands on 26 February 2016 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each.
- (b) On 21 June 2019, the authorised share capital of the Company was increased from HK\$380,000 to HK\$80,000,000 by the creation of an additional 7,962,000,000 shares of HK\$0.01 each.
- (c) On 30 November 2018, the Company allotted and issued 8 shares of HK\$0.01 each to Mr. Sou Peng Kan Albert at a consideration of HK\$3,000,000.
- (d) On 24 June 2019, the Company allotted and issued 36 shares of HK\$0.01 each to the Convertible Bondholders (as defined in the Prospectus) for the conversion of Convertible Bonds with principal amount of HK\$12,000,000 pursuant to the respective subscription agreement(s) for the Convertible Bonds entered by the Group on 30 May 2016.

\* Issued capital for the year less than HK\$0.1.

# Issued capital for the period less than HK\$0.5.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 16. OPERATING LEASE COMMITMENTS

#### Operating lease commitments

##### *The Group as lessee*

As at 30 June 2019 and 31 December 2018, the Group had contracted for the following future minimum lease payments under non-cancellable operating lease which fall due as follows:

|                                        | At<br>30 June 2019<br>HK\$'000<br>(Unaudited) | At<br>31 December 2018<br>HK\$'000<br>(Audited) |
|----------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Within one year                        | 1,787,385                                     | 92,137                                          |
| In the second to fifth years inclusive | —                                             | —                                               |
|                                        | 1,787,385                                     | 92,137                                          |

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

##### *The Group as lessor*

Income earned from leasing of machinery during the six months ended 30 June 2019 is HK\$19,304,245 (six months ended 30 June 2018: HK\$11,210,685). Leases are negotiated on a monthly basis.

As at 30 June 2019 and 31 December 2018, the Group had contracted with customers for the following further minimum lease payments:

|                 | At<br>30 June 2019<br>HK\$<br>(Unaudited) | At<br>31 December 2018<br>HK\$<br>(Audited) |
|-----------------|-------------------------------------------|---------------------------------------------|
| Within one year | 25,630,206                                | -                                           |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 17. 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 as disclosed in note 4(b) is as follows:

|                                         | Six months ended 30 June    |                             |
|-----------------------------------------|-----------------------------|-----------------------------|
|                                         | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Short-term employee benefits (note 1&2) | 874,800                     | 999,667                     |
| Post-employment benefits (note 2)       | —                           | 5,343                       |
|                                         | <b>874,800</b>              | <b>1,005,010</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 2018: approximately HK\$185,000).
- (2) During the six months ended 30 June 2018, it included short-term employee benefits of HK\$154,867 paid to So Pui Yin, Director of the Company resigned in April 2018, and related post-employment benefits of HK\$5,343.

- (b) During the periods, the Group entered into the following transactions with related parties in which some directors have beneficial interests:

|                                              | Six months ended 30 June    |                             |
|----------------------------------------------|-----------------------------|-----------------------------|
|                                              | 2019<br>HK\$<br>(Unaudited) | 2018<br>HK\$<br>(Unaudited) |
| Proceeds received from:<br>So Pui Yin (Note) | —                           | 3,700                       |

The proceeds were received for the disposal of plant and equipment. The management of the Group considers that the above transactions are conducted in the ordinary and usual course of the Company's businesses.

Note: Director of the Company resigned in April 2018.

- (c) As at 30 June 2019 and 31 December 2018, certain banking facilities were secured by the personal guarantees from related parties of the Group.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(For the six months ended 30 June 2019)

### 18. CAPITAL COMMITMENTS

|                                                                      | At<br>30 June 2019<br>HK\$'000 | At<br>31 December 2018<br>HK\$'000 |
|----------------------------------------------------------------------|--------------------------------|------------------------------------|
| Capital expenditure in respect of acquisition of plant and equipment |                                |                                    |
| Contract but not provided for                                        | —                              | 8,749,479                          |
| Authorized but not contracted for                                    | —                              | —                                  |
|                                                                      | —                              | 8,749,479                          |

### 19. EVENTS AFTER THE REPORTING PERIOD

#### a) Capitalisation Issue

On 9 July 2019, the Board passed a resolution to allot and issue 449,999,856 shares by way of capitalisation of a total sum of HK\$4,499,999 standing to the credit of the share premium account of the Company credited as fully paid at par to the shareholders as appearing on the register of members of the Company.

#### b) Share Offer

On 12 July 2019, 150,000,000 ordinary shares of HK\$0.01 each were issued by way of Share Offer at a price of HK\$0.55 per share raising gross proceeds of approximately HK\$82,500,000.



## OTHER INFORMATION

### OTHER INFORMATION

#### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

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

During the period from the Listing Date to the date of this report, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of shares of the Company.

#### Directors' Securities Transactions

The Company has adopted a code of conduct for securities transactions by Directors (the "Code") which is on terms no less exacting than the required standard against which issuers and their directors must measure their conduct regarding transactions in securities of their issuers (the "Required Standard of Dealings") under rules 5.48 to 5.67 of the GEM Listing Rules. The Company made specific enquiry with all Directors and has not been notified of any non-compliance with the Required Standard of Dealings and the Code by the Directors as at the date of this report.

#### Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations

As the Company was not listed on the GEM as at 30 June 2019, the provisions of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), Section 352 of the SFO and rules 5.46 to 5.67 of the GEM Listing Rules were not applicable to the Directors and chief executives of the Company as at 30 June 2019.

As at the date of this report, 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 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 Shareholder                    | Nature of interest                         | Number of shares held/ interested | Approximate percentage of shareholding in Company |
|----------------------------------------|--------------------------------------------|-----------------------------------|---------------------------------------------------|
| Mr. Sou Peng Kan Albert<br>("Mr. Sou") | Beneficial interest and interest of spouse | 262,500,000<br>(Note 1)           | 43.75%                                            |
| Ms. Chu Wing Yee<br>("Ms. Chu")        | Beneficial interest and interest of spouse | 262,500,000<br>(Note 2)           | 43.75%                                            |
| Mr. Fok Hei Yuen Paul<br>("Mr. Fok")   | Beneficial interest                        | 75,000,000                        | 12.50%                                            |
| Ms. Yang Mei Lan<br>("Ms. Yang")       | Interest of spouse                         | 75,000,000<br>(Note 3)            | 12.50%                                            |

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. 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) Out of the 262,500,000 shares, 34,375,000 shares are registered in the name of Ms. Chu. The remaining 228,125,000 shares are registered in the name of Mr. Sou. Since 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.
- (3) The 75,000,000 shares are registered in the name of Mr. Fok. As Ms. Yang is the spouse of Mr. Fok, Ms. Yang is deemed to be interested in all the shares which Mr. Fok is regarded to be interested in under the SFO.

Save as disclosed above, as at the date of this report, none of the Directors nor the chief executives of the Company had 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 and the Code by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As the Company was not listed on the GEM as at 30 June 2019, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company as at 30 June 2019. As at the date of this report, so far as the Directors are aware, the following persons (other than Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

## OTHER INFORMATION

### Long Positions in the Shares

| Name of Shareholder                        | Nature of Interest                         | Number of shares held/<br>interested | Approximate percentage of shareholding in Company |
|--------------------------------------------|--------------------------------------------|--------------------------------------|---------------------------------------------------|
| Mr. Sou                                    | Beneficial interest and interest of spouse | 262,500,000<br>(Note 1)              | 43.75%                                            |
| Ms. Chu                                    | Beneficial interest and interest of spouse | 262,500,000<br>(Note 2)              | 43.75%                                            |
| Mr. Fok                                    | Beneficial interest                        | 75,000,000                           | 12.50%                                            |
| Ms. Yang                                   | Interest of spouse                         | 75,000,000<br>(Note 3)               | 12.50%                                            |
| Integrated Asset Management (Asia) Limited | Beneficial interest                        | 37,500,000                           | 6.25%                                             |
| Mr. Yam Tak Cheung                         | Interest in a controlled corporation       | 37,500,000<br>(Note 4)               | 6.25%                                             |
| Rosy Dragon Global Limited                 | Beneficial interest                        | 56,250,000                           | 9.375%                                            |
| Mr. Sze Chun Lee                           | Interest in a controlled corporation       | 56,250,000<br>(Note 5)               | 9.375%                                            |

Notes:

- (1) Out of the 262,500,000 shares, 228,125,000 shares are registered in the name of Mr. Sou and the remaining 34,375,000 shares are registered in the name of Ms. Chu. As 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) 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.
- (3) The 75,000,000 shares are registered in the name of Mr. Fok. As Ms. Yang is the spouse of Mr. Fok, Ms. Yang is deemed to be interested in all the shares which Mr. Fok is interested in under the SFO.
- (4) The 37,500,000 shares are registered in the name of Integrated Asset Management (Asia) Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Yam Tak Cheung. Under the SFO, Mr. Yam Tak Cheung is deemed to be interested in all the shares held by Integrated Asset Management (Asia) Limited.
- (5) The 56,250,000 shares are registered in the name of Rosy Dragon Global Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Sze Chun Lee. Under the SFO, Mr. Sze Chun Lee is deemed to be interested in all the shares held by Rosy Dragon Global Limited.

Save as disclosed herein, as at the date of this report, the Directors are not aware of any person who had 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 period from the Listing Date to the date of this report, 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 Contracts of Significance

None of the Directors had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 30 June 2019.

## 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 period from the Listing Date to the date of this report.

## Competing Interests

For the period from the Listing Date to the date of this report, 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

Upon specific enquiry by the Company and following confirmations from Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the publication of the Company’s Prospectus.

## OTHER INFORMATION

### Compliance with Practices on Corporate Governance Code

The Directors consider that for the period from the Listing Date to the date of this report, the Company has adopted the principles and complied with all the applicable code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

### 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 2019, 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 four members who are Mr. Leung Man Chiu Lawrence, Mr. Lee Tak Fai Thomas, Mr. Yau Lut Pong Leo and Mr. Yue Wai Leung Stan, comprising one non-executive Director and three independent non-executive Directors. 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 2019.

The condensed consolidated financial results of the Group for the six months ended 30 June 2019 have not been audited by the Company’s auditor.

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

Hong Kong, 13 August 2019

*As at the date of this report, the executive Directors are Mr. Sou Peng Kan Albert and Mr. Fok Hei Yuen Paul; the non-executive Director is Mr. Leung Man Chiu Lawrence; 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).*