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## **NIMBLE HOLDINGS COMPANY LIMITED**

### **敏捷控股有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 186)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

### **FINANCIAL HIGHLIGHTS**

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
<b>OPERATING RESULTS:</b>		
Revenue	<b>78</b>	118
Loss for the period attributable to the shareholders of the Company	<b><u>(23)</u></b>	<b><u>(9)</u></b>
<b>PER SHARE DATA:</b>		
	<b>HK cents</b>	<b>HK cents</b>
Basic loss per share	<b>(0.42)</b>	(0.16)
Diluted loss per share	<b><u>(0.42)</u></b>	<b><u>(0.16)</u></b>

## INTERIM RESULTS

The board of directors (the “Board”) of Nimble Holdings Company Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2020 (the “Period”), together with the comparative figures for the six months ended 30 September 2019 (the “Corresponding Period”) and selected explanatory notes, are stated as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 September 2020*

		(Unaudited)	
		Six months ended	
		30 September	30 September
		2020	2019
	Notes	HK\$ million	HK\$ million
REVENUE	6	78	118
Cost of sales		(58)	(88)
Gross profit		20	30
Other income		4	4
Selling and distribution costs		(13)	(2)
Administrative expenses		(43)	(42)
LOSS BEFORE TAXATION	7	(32)	(10)
Income tax charge	8	(2)	(3)
LOSS FOR THE PERIOD		(34)	(13)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Company		(23)	(9)
Non-controlling interests		(11)	(4)
		(34)	(13)
LOSS PER SHARE	10	HK cents	HK cents
Basic		(0.42)	(0.16)
Diluted		(0.42)	(0.16)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	(Unaudited)	
	Six months ended	
	30 September	30 September
	2020	2019
Notes	HK\$ million	HK\$ million
LOSS FOR THE PERIOD	<u>(34)</u>	<u>(13)</u>
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX:		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>2</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(32)</u></u>	<u><u>(15)</u></u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:		
Shareholders of the Company	(21)	(11)
Non-controlling interests	<u>(11)</u>	<u>(4)</u>
	<u><u>(32)</u></u>	<u><u>(15)</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		(Unaudited) As at 30 September 2020 <i>HK\$ million</i>	(Audited) As at 31 March 2020 <i>HK\$ million</i>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		1	1
Right-of-use assets		4	5
Deferred tax assets		1	1
Brands and trademarks	11	68	68
Financial assets at FVTPL		6	6
Other assets		1	1
		<u>81</u>	<u>82</u>
<b>CURRENT ASSETS</b>			
Inventories		17	15
Properties under development	12	341	266
Contract acquisition costs		2	–
Accounts receivable	13	42	46
Prepayments for acquisition of land use rights		460	–
Prepayments, deposits and other receivables	14	139	10
Tax recoverable		1	1
Cash and bank balances		873	447
		<u>1,875</u>	<u>785</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	15	88	81
Contract liabilities	16	125	28
Accrued liabilities and other payables	17	14	12
Interest bearing bank loan		2	–
Amount due to a related party		990	–
Lease liabilities		2	3
Tax liabilities		17	19
		<u>1,238</u>	<u>143</u>
<b>NET CURRENT ASSETS</b>		<u>637</u>	<u>642</u>

	(Unaudited) As at 30 September 2020	(Audited) As at 31 March 2020
<i>Notes</i>	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
NON-CURRENT LIABILITIES		
Amounts due to related parties	239	213
Deferred tax liabilities	1	—*
Tax liabilities	14	15
Lease liabilities	2	2
	<u>256</u>	<u>230</u>
NET ASSETS	<u><b>462</b></u>	<u><b>494</b></u>
CAPITAL AND RESERVES		
Share capital	55	55
Share premium	386	386
(Deficit in reserves)/reserves	<u>(5)</u>	<u>16</u>
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	<b>436</b>	457
NON-CONTROLLING INTERESTS	<u>26</u>	<u>37</u>
TOTAL EQUITY	<u><b>462</b></u>	<u><b>494</b></u>

\* The amount is less than HK\$1 million.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2020*

## 1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Flat C01, 32th Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company (the “Shares”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company’s immediate holding company is Wealth Warrior Global Limited (“Wealth Warrior”), a company incorporated in the British Virgin Islands. The beneficial owner and sole director of Wealth Warrior is Mr. Tan Bingzhao (“Mr. Tan”). As such, the ultimate controlling shareholder of the Company is Mr. Tan.

The Company is an investment holding company. The principal activities of the Company’s major subsidiaries are holding and licensing of brands and trademarks on a worldwide basis, distribution of houseware products and audio products in the United States of America (the “USA”), and the trading of household appliances, provision of information technology (“IT”) services and property development in the People’s Republic of China (the “PRC”).

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars, the functional currency of the Company, and all values are rounded to the nearest million (HK\$ million) unless otherwise stated.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual consolidated financial statements for the year ended 31 March 2020, except for the adoption of new accounting policies as a result of the adoption of the new and amended HKFRSs as set out in Note 3.

### **3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs**

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2020 (“New HKFRSs”) for the preparation of the Group’s unaudited condensed consolidated interim financial statements:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

None of the New HKFRSs have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### **4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the unaudited condensed consolidated interim financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated interim financial statements, the critical accounting judgments made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that were applied to the audited consolidated financial statements for the year ended 31 March 2020.

## 5. SEGMENT INFORMATION

The Group currently organises its operations into the following reportable and operating segments.

<b>Operating segments</b>	<b>Principal activities</b>
PRC's Property Development	Property development and operation in the PRC
Emerson	Distribution of houseware products and audio products and licensing business – Comprising a group listed on the NYSE American of the USA
Licensing	Licensing business on a worldwide basis – Comprising the brands and trademarks of Akai, Sansui and Nakamichi
PRC's Household Appliances	Trading of household appliances, wires and cables in the PRC
PRC's IT Services	IT system development and related services in the PRC



(a) **Unaudited revenue and results of the Group by operating segments:**

*For the six months ended 30 September 2020*

	PRC's Property Development <i>HK\$ million</i>	Emerson <i>HK\$ million</i>	Licensing <i>HK\$ million</i>	PRC's Household Appliances <i>HK\$ million</i>	PRC's IT Services <i>HK\$ million</i>	Unallocated <i>HK\$ million</i>	Consolidated <i>HK\$ million</i>
<b>Revenue:</b>							
Sale of household appliances, wires and cables to external customers	-	-	-	43	-	-	43
Sale of houseware products to external customers	-	12	-	-	-	-	12
Sale of audio products to external customers	-	15	-	-	-	-	15
Licensing income from external customers	-	-	8	-	-	-	8
	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Total segment revenue	<u>-</u>	<u>27</u>	<u>8</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>78</u>
<b>Results:</b>							
Segment results	<u>(14)</u>	<u>(17)</u>	<u>-</u>	<u>5</u>	<u>-</u>		<u>(26)</u>
<b>Reconciliations:</b>							
Unallocated corporate expenses						(9)	(9)
Expected credit loss reversal on accounts receivable				2			2
Interest income							<u>1</u>
Loss before taxation							<u>(32)</u>

*For the six months ended 30 September 2019*

	Emerson <i>HK\$ million</i>	Licensing <i>HK\$ million</i>	PRC's Household Appliances <i>HK\$ million</i>	PRC's IT Services <i>HK\$ million</i>	Unallocated <i>HK\$ million</i>	Consolidated <i>HK\$ million</i>
<b>Revenue:</b>						
Sale of household appliances, wires and cables to external customers	–	–	75	–	–	75
IT system development and related services to an external customer	–	–	–	4	–	4
Sale of houseware products to external customers	10	–	–	–	–	10
Sale of audio products to external customers	13	–	–	–	–	13
Licensing income from external customers	–	16	–	–	–	16
Total segment revenue	<u>23</u>	<u>16</u>	<u>75</u>	<u>4</u>	<u>–</u>	<u>118</u>
<b>Results:</b>						
Segment results	<u>(15)</u>	<u>8</u>	<u>7</u>	<u>1</u>		1
<b>Reconciliations:</b>						
Unallocated corporate expenses					(13)	(13)
Expected credit loss allowance on accounts receivable			(2)			(2)
Interest income					4	4
Loss before taxation						<u>(10)</u>

**(b) Assets and liabilities of the Group by operating segments:**

	PRC's Property Development <i>HK\$ million</i>	Emerson <i>HK\$ million</i>	Licensing <i>HK\$ million</i>	PRC's Household Appliances <i>HK\$ million</i>	PRC's IT Services <i>HK\$ million</i>	Unallocated <i>HK\$ million</i>	Inter- segment elimination <i>HK\$ million</i>	Consolidated <i>HK\$ million</i>
<b>As at 30 September 2020 (unaudited)</b>								
Reportable segment assets	1,422	459	1,106	56	7	129	(1,223)	1,956
Reportable segment liabilities	1,421	583	1,447	35	–	34	(2,026)	1,494
<b>As at 31 March 2020 (audited)</b>								
Reportable segment assets	299	474	1,128	55	8	143	(1,240)	867
Reportable segment liabilities	283	580	1,473	39	1	36	(2,039)	373

(c) **Geographical segments:**

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>
	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
<b>Revenue:</b>		
PRC	<b>43</b>	79
Asia (exclude PRC)	<b>5</b>	15
North America		
– USA and Canada	<b>27</b>	23
Europe	<b>3</b>	1
	<hr/>	<hr/>
Total	<b>78</b>	118
	<hr/> <hr/>	<hr/> <hr/>

**6. REVENUE**

An analysis of the Group's revenue from contracts with customers, by principal activities and by timing of recognition of revenue, for the Period is as follows:

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>
	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
By principal activities:		
Sale of goods	<b>70</b>	98
Licensing income	<b>8</b>	16
IT system development and related services	<b>–</b>	4
	<hr/>	<hr/>
	<b>78</b>	118
	<hr/> <hr/>	<hr/> <hr/>

Revenue from the above mentioned principal activities were recognised on “point in time” basis.

## 7. LOSS BEFORE TAXATION

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

		<b>(Unaudited)</b>	
		<b>Six months ended</b>	
	<b>30 September</b>	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>	
	<b>HK\$ million</b>	<b>HK\$ million</b>	
<b>(a) Staff costs</b>			
Directors' and Chief Executive Officer's emoluments	3	3	
Other staff costs:			
– Salaries and other benefits	19	20	
– Retirement benefits costs	2	2	
Less: amount capitalised in properties under development	(–*)	–	
	<b>24</b>	<b>25</b>	
<b>(b) Other items</b>			
Short-term lease expenses	–*	–*	
Depreciation of right-of-use assets	1	1	
Auditor's remuneration – current period	1	1	
Advertising and promotion expenses	12	1	
Carrying amount of inventories sold	58	79	
Expected credit loss (reversal)/allowance on accounts receivable	(2)	2	
Interest income	(1)	(4)	
Interest on lease liabilities	–*	–*	

\* The amount is less than HK\$1 million.

## 8. INCOME TAX CHARGE

No Hong Kong profits tax has been provided for the Period/Corresponding Period in the unaudited condensed consolidated interim financial statements as there are no assessable profits arising in Hong Kong during the Period and the Corresponding Period.

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

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>
	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
Current tax – PRC	(1)	–
– Overseas	(1)	(2)
Deferred tax – PRC	–*	–
– Overseas	–	(1)
	<hr/>	<hr/>
Income tax charge	<b>(2)</b>	<b>(3)</b>
	<hr/>	<hr/>

\* *The amount is less than HK\$1 million.*

## 9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (the Corresponding Period: nil).

## 10. LOSS PER SHARE

### (a) Basic loss per share:

The calculation of basic loss per share is based on the following data:

	<b>(Unaudited)</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>
	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
Loss attributable to the shareholders of the Company used in the basic loss per share calculation	<b>(23)</b>	<b>(9)</b>
	<b>30 September</b>	<b>30 September</b>
	<b>2020</b>	<b>2019</b>
	<b>Number of</b>	<b>Number of</b>
	<b>ordinary shares</b>	<b>ordinary shares</b>
	<b><i>million</i></b>	<b><i>million</i></b>
Shares:		
Weighted average number of ordinary shares for the purposes of calculating basic loss per share	<b>5,492.2</b>	<b>5,492.2</b>

### (b) Diluted loss per share:

Diluted loss per share equals basic loss per share as the Company has no potential ordinary shares in existence during the Period and the Corresponding Period.

# 11. BRANDS AND TRADEMARKS

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
<b>Gross amount</b>		
At 1 April	2,001	2,026
Foreign currency adjustment	(1)	(25)
	<u>2,000</u>	<u>2,001</u>
At 30 September/31 March	<u>2,000</u>	<u>2,001</u>
<b>Accumulated amortisation and impairment</b>		
At 1 April	1,933	1,860
Foreign currency adjustment	(1)	(24)
Impairment loss recognised during the Period/year ended 31 March 2020 (“Corresponding Year”)	–	97
	<u>1,932</u>	<u>1,933</u>
At 30 September/31 March	<u>1,932</u>	<u>1,933</u>
Carrying amount at 30 September/31 March	<u>68</u>	<u>68</u>

Brands and trademarks are allocated to the Group's cash-generating units identified according to operating segments as follows:

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Emerson	—	—
Licensing		
Akai	37	37
Nakamichi	12	12
Sansui	19	19
Sub-total	68	68
Total	68	68

As there were no significant changes to the operation of the Group's licensing business for the Period, the Directors do not expect there to be any significant changes to the carrying amounts of the brands and trademarks as of 30 September 2020.

## 12. PROPERTIES UNDER DEVELOPMENT

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Amounts comprise:		
– Land use right (including direct costs associated with the acquisition)	200	192
– Construction costs including depreciation and staff costs capitalised	132	70
– Finance costs capitalised	9	4
	341	266



### 13. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 30 to 90 days to its trade customers.

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Gross amount	45	51
Less: allowance of expected credit loss	<u>(3)</u>	<u>(5)</u>
Net amount	<u><u>42</u></u>	<u><u>46</u></u>

The following are the movements of expected credit loss allowance of accounts receivable during the Period/Corresponding Year:

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
At the beginning of the Period/Corresponding Year	5	1
(Reversal)/allowance during the Period/Corresponding Year	(2)	4
Exchange difference	<u>—*</u>	<u>—*</u>
Net amount	<u><u>3</u></u>	<u><u>5</u></u>

\* *The amount is less than HK\$1 million*

The Directors consider that the carrying amounts of accounts receivable approximate to their fair values.

The ageing analysis of accounts receivable (net of allowance of expected credit loss) is presented based on the invoice dates as follows:

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
0 – 3 months	40	46
3 – 6 months	2	–
	<u>42</u>	<u>46</u>

Before accepting any new customers, the management assesses the potential customer's credit quality with reference to the customer's reputation and market standing and defines the credit limits accordingly. Continuity of the credit limits to the customers is reviewed by management as and when necessary.

#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Prepayments	11	5
Deposits	1	1
Bidding deposit for land use rights	123	–
Other receivables	4	4
	<u>139</u>	<u>10</u>

#### 15. ACCOUNTS PAYABLE

The ageing analysis of accounts payable is as follows:

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
0 – 3 months	<u>88</u>	<u>81</u>

## 16. CONTRACT LIABILITIES

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Sale of properties ( <i>Note (i)</i> )	115	25
Others ( <i>Note (ii)</i> )	10	3
	<u>125</u>	<u>28</u>

### *Note (i)*

The Group receives 20% to 100% of the contract value from customers when they sign the sale and purchase agreements while construction work of properties is still ongoing. For the customers who applied mortgage loans provided by the banks, the remaining consideration will be paid to the Group from the banks once the mortgage loan application has been completed and release of fund has been approved. Such advance payment schemes result in contract liabilities being recognised through the property construction period until the customer obtains control of the completed property. Same as the properties under development as disclosed in Note 12, these balances are expected to be settled within the Group's normal operating cycle and are not expected to be settled within 12 months after the end of the reporting period.

### *Note (ii)*

It mainly represents payments from customers and licensees based on billing schedules as established in contracts.

## 17. ACCRUED LIABILITIES AND OTHER PAYABLES

	(Unaudited) 30 September 2020 <i>HK\$ million</i>	(Audited) 31 March 2020 <i>HK\$ million</i>
Accrued expenses	11	8
Other payables	3	4
	<u>14</u>	<u>12</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

*30 September 2020*

### BUSINESS REVIEW AND PROSPECTS

The Group recorded revenue of HK\$78 million for the Period as compared to HK\$118 million for the Corresponding Period, representing a decrease of 34%. The decrease in revenue was mainly due to a significant drop in the income from the Group's licensing of brands and trademark business, PRC's household appliances business and PRC's IT services business, due to the unfavourable economic environment caused by the continuing spread of the COVID-19 pandemic. Despite so, the Group's Emerson operation business recorded a slight increase in revenue of HK\$4 million as compared to the Corresponding Period, due to the increase in demand of certain categories of products by customers, such as Walmart and Amazon.

During the Period, the Group recorded an unaudited net loss attributable to shareholders of HK\$23 million, as compared to an unaudited net loss attributable to shareholders for the Corresponding Period of HK\$9 million, representing a net increase in loss of HK\$14 million. The increase in unaudited net loss attributable to shareholders was mainly attributable to: (i) the unfavourable economic environment caused by the COVID-19 pandemic as mentioned above; and (ii) an increase in selling expenses incurred from the PRC's property development business of the Group mainly due to the pre-sale activities during the Period.

Set out below are the results of the Group analysed as to the Emerson operation business, the licensing operation business, PRC's household appliances business, the PRC's IT business and the PRC's property development business.

### **Emerson operation business**

Emerson, a 72.4% owned subsidiary whose shares are listed on the NYSE American in the USA, generated revenue through the distribution of houseware products and audio products as well as licensing of its brand in North America. Emerson recorded a slight increase in revenue from HK\$23 million for the Corresponding Period to HK\$27 million for the Period due to the increased demand in certain product categories. However, the operating loss of HK\$17 million for the Period increased by HK\$2 million as compared to the Corresponding Period due to lower interest income earned from short term investments.

### **Licensing operation business**

The Group owns three internationally recognized consumer electronic brands, namely, Akai, Sansui and Nakamichi. In the past few years, through licensing of these brands to independent third parties, this operation generated steady income to the Group. However, due to the ongoing COVID-19 pandemic during the Period, most licensees' businesses have faced difficulties by not being able to meet their respective projected purchases in accordance with their licensing agreements. As such, the revenue generated by the licensing operation business was HK\$8 million for the Period, which was only 50% of the revenue generated for the Corresponding Period. The operating profit of this operation was HK\$8 million for the Corresponding Period, while the income recorded for the Period could only cover its costs and expenses.

As at 30 September 2020, there were a total of 32 contracts (2019: 31) in force with licensees to distribute products in the brand names of Akai, Sansui and Nakamichi around the world.

### **PRC's household appliances business**

The PRC's household appliances business was also deeply hit by the COVID-19 pandemic. A revenue of HK\$43 million was recorded during the Period which was only 57% of the revenue for the Corresponding Period amounting HK\$75 million. As economic activities in the PRC have been disrupted by the COVID-19 pandemic, the sales of the PRC's household appliances business have fallen. An operating profit of HK\$5 million was recorded for the PRC's household appliances business during the Period, which was 29% lower than the operating profit recorded for the Corresponding Period amounting HK\$7 million. This decrease of HK\$2 million in operating profit was mainly due to the decrease in sales of household appliances during the Period.

## **PRC's IT business**

The PRC's IT business recorded no income during the Period, whereas the revenue for the Corresponding Period was HK\$4 million. This loss in income was due to the ongoing COVID-19 pandemic as most companies have had to reduce their budget for non-profit generating units. The management has therefore re-considered the Group's future development in this business sector as the prospects of this segment are uncertain, and the majority of the staff have voluntarily resigned during the Period. If the COVID-19 pandemic continues in the second half of the financial year ending 31 March 2021, the management may consider to close down the operation of this segment.

## **PRC's property development business**

The Group's business has expanded to property development operation business since the completion of the capital injection in Changsha Ningxiang Minjun Real Estate Development Co., Ltd.\* (長沙市寧鄉敏駿房地產開發有限公司) in November 2019 (the "Capital Increase"). During the Period, the Group achieved a total contracted sales amount of approximately HK\$104 million (equivalent to approximately RMB94 million), with a total contracted sales gross floor area of approximately 19,800 sq.m. The average selling price was approximately HK\$5,300 (equivalent to approximately RMB4,700) per sq.m. As the Capital Increase completed in November 2019, comparative figures for the Corresponding Period are not available. It is expected that the delivery of these units will take place in around early 2022.

As the Company has become a Qualified Issuer (as defined in the Listing Rules), the Group has commenced to bid for land launched by various local government authorities in different provinces of the PRC during the Period. In September 2020, the Group successfully won the bidding in respect of three parcels of land in the PRC: (i) the land in Gongyi City, Henan Province with a site area of approximately 36,575.74 sq.m. at the bidding price of approximately RMB264.3 million (equivalent to approximately HK\$296.7 million); (ii) the land in Gongyi City, Henan Province with a site area of approximately 35,702.18 sq.m. at the bidding price of approximately RMB191.5 million (equivalent to approximately HK\$215.5 million); and (iii) the land in Yangjiang City, Guangdong Province with a site area of approximately 62,089.40 sq.m. at the bidding price of approximately RMB198.69 million (equivalent to approximately HK\$223.53 million), details of which are set out in the announcements of the Company dated 2, 24 and 29 September 2020 (collectively, the "Land Acquisitions"). These add up to a total of approximately 134,367.32 sq.m. of land acquired by the Group during the Period. Since the land acquisitions on 2 and 29 September 2020 constituted major transactions of the Company, a circular dated 18 November 2020 was subsequently published to provide more details of the acquisitions to the shareholders of the Company.

## **Prospects**

Due to the global situation of the COVID-19 pandemic, the management is not optimistic as to the Group's operations in Emerson, licensing, PRC's household appliances and PRC's IT services in the second half of the financial year ending 31 March 2021. The operation teams will endeavour to use their best efforts to overcome the difficulties brought about by the COVID-19 pandemic in order to manage the businesses and operation in the second half of the financial year ending 31 March 2021, as well as control its costs in all areas so as to minimize the total expenses to be incurred by it. The Group will also prepare for the economic recovery once the pandemic is under control so that we can maximise revenues going forward.

In respect of the PRC's property development business, the management intends to continue bidding in land auctions conducted by the local government authorities in different cities of the PRC in order to increase the Group's land bank for future development. Following the end of Period, the Group has acquired a further four parcels of land in Ningbo City, Zhejiang Province; Nanning City, Guangxi Province; Shantou City, Guangdong Province and Yongzhou City, Hunan Province. These acquisitions have further increased the land bank of the Group by approximately 213,618.83 sq.m. and the total land cost of these parcels of land is approximately HK\$4,184.17 million. The management believes that the enlarged land reserve will bring income to the Group with reasonable returns in the future.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The current ratio of the Group as at 30 September 2020 was 1.51 as compared to 5.49 as at 31 March 2020. The decrease in the current ratio was mainly attributable to (1) the increase in contract liabilities mainly from PRC's property development business; and (2) the amount due to a related party of HK\$990 million, which were partially offset by the prepayments for acquisition of land use rights of HK\$460 million and the increase in cash and bank balances during the Period.

The Group's working capital requirements were mainly financed by internal resources and external borrowings as the Group continued to generate cash from its Emerson operation business, licensing operation business, PRC's household appliances business and PRC's property development business during the Period. As at 30 September 2020, the Group had accumulated cash and bank balances amounting to HK\$873 million as compared to HK\$447 million as at 31 March 2020.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not make any material acquisition and disposal of subsidiaries and affiliated companies during the Period.

## **MATERIAL EVENTS AFTER THE PERIOD**

As disclosed above, the Group has won the bidding of four parcels of land in the PRC after the end of the Period: (i) the land in Ningbo City, Zhejiang Province with a site area of approximately 41,881 sq.m. at the bidding price of approximately RMB956.12 million (equivalent to approximately HK\$1,086.16 million); (ii) the land in Nanning City, Guangxi Province with a site area of approximately 40,941.25 sq.m. at the bidding price of approximately RMB859.77 million (equivalent to approximately HK\$997.33 million); (iii) the land in Shantou City, Guangdong Province with a site area of approximately 69,660.6 sq.m. at the bidding price of approximately RMB1,397 million (equivalent to approximately HK\$1,620.52 million); and (iv) the land in Yongzhou City, Hunan Province with a site area of approximately 61,135.98 sq.m. at the bidding price of approximately RMB411.8 million (equivalent to approximately HK\$480.16 million). Each of the first three land acquisitions constituted a very substantial acquisition and the last land acquisition constituted a major transaction for the Company under Chapter 14 of the Listing Rules. Details of the acquisition of the land in Ningbo City are set out in the announcement and the circular of the Company dated 15 October 2020 and 18 November 2020 respectively, whereas details of the acquisition of the two pieces of land in Nanning City and Shantou City are set out in the announcement of the Company dated 17 November 2020 and details of the acquisition of the land in Yongzhou are set out in the announcement of the Company dated 27 November 2020. Save as disclosed herein, there were no significant events occurred after the Period.

## **SIGNIFICANT INVESTMENT**

Other than the Land Acquisitions as mentioned above, the Group did not enter into any new significant investment during the Period.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As the management has decided to continue expanding the PRC's property development business, the Group will continue to acquire lands in the PRC through public auctions where appropriate opportunity arises. Nevertheless, as at the date hereof the Group has not yet identified any concrete investment opportunity. Other than that, the Group does not have any concrete plan for material investments or capital assets for the coming 12 months from the date of this announcement.



## **GEARING RATIO**

The gearing ratio of the Group as at 30 September 2020 was 0.56 (as at 31 March 2020: 0.47 time).

## **CONTINGENT LIABILITIES**

Except as set out below, the Group did not have significant contingent liabilities as at 30 September 2020 and up to the date of this announcement.

### **(i) Guarantees**

The Group had provided guarantees of approximately HK\$71 million as at 30 September 2020 (as at 31 March 2020: approximately HK\$13 million) to banks in favour of the purchasers of the Group's properties under development up to an amount of 80% of the purchase price of an individual property in respect of the mortgage loans provided by the banks to such purchasers. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees start from the respective dates of grant of the mortgage loans.

In the opinion of the Directors, the total fair value of the financial guarantee contracts of the Group is insignificant at initial recognition. The Directors also consider the possibility of default by the parties involved to be remote and in case of default in payments, the net realisable value of the related properties would be able to cover the outstanding principal together with the accrued interest and penalties. Accordingly, no value has been recognised in the consolidated statement of financial position as at 30 September 2020.

## **(ii) Legal cases**

In an order made by the High Court of the Hong Kong Special Administrative Region (the “High Court”) on 9 May 2016 in respect of case HCCW 177/2011, the Company is required to:

- (i) indemnify and keep indemnified the former provisional liquidators in the event that the funds paid into court are insufficient to meet the taxed fees and expenses of the former provisional liquidators; and
- (ii) indemnify and keep indemnified Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 (the “Action”), subject to the final determination of the Action. HCA 92/2014 is a legal case filed in January 2014 in the High Court by Sino Bright Enterprises Co., Ltd. against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this announcement, the Company has received no such requests for the related fees, costs and expenses.

The Directors are of the view that no provision is necessary for the matter described above, after having considered the merits.

## **CAPITAL COMMITMENTS**

As at 30 September 2020, the Group had contracted, but not provided for capital expenditure commitments of HK\$489 million (as at 31 March 2020: HK\$499 million) in respect of properties under development and acquisition of land use rights.

## **CHARGES ON GROUP ASSETS**

As at 30 September 2020, no assets were pledged to secure other borrowing facilities for the Group (as at 31 March 2020: nil).

## **TREASURY POLICIES**

The Group’s revenues are mainly in US dollars and RMB. Since the HK dollar is linked with the US dollar, the Group is not exposed to significant currency risks in transactions dealt in US dollars. However, for transactions dealt in RMB, the Group will be exposed to foreign currency risks. The Group has not engaged in any particular hedge against foreign currency risks. The Group will closely monitor and manage its foreign currency exposure and to make use of appropriate measures when required.

## **EMPLOYEES AND REMUNERATION POLICIES**

The number of employees of the Group as at 30 September 2020 was 69 (82 as at 31 March 2020). The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

## **DIVIDENDS**

The Directors do not recommend the payment of an interim dividend for the Period (the Corresponding Period: nil).

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

Neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Directors confirmed that the Company has complied with all principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Period, except for the code provisions of the CG Code as noted hereunder.

Under code provision A.2.1 of the Code, the roles of the Chairman of the Board and the Chief Executive Officer should be separate and should not be performed by the same individual. However, since the appointment of Mr. Tan as a Director of the Company on 2 December 2017, he has also been appointed as the Chairman of the Board and the Chief Executive Officer of the Company.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rule as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the required standards as set out in the Model Code during the Period.

## **REVIEW OF INTERIM FINANCIAL REPORT**

The audit committee of the Company has reviewed and confirmed with the management of the Company the unaudited condensed consolidated interim results of the Group for the Period and the Corresponding Period, the accounting principles and practices adopted by the Group, and discussed risk management, internal controls and financial reporting matters. At the request of the Directors, the Company’s external auditor, Moore Stephens CPA Limited, has carried out a review of the said unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## **PUBLICATION OF 2020 INTERIM RESULTS AND INTERIM REPORT**

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.nimbleholding.com](http://www.nimbleholding.com)). The 2020 interim report will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board  
**Nimble Holdings Company Limited**  
**Tan Bingzhao**  
*Chairman*

Hong Kong, 30 November 2020

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive Directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.*