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NET-A-GO TECHNOLOGY COMPANY LIMITED

網譽科技有限公司

(formerly known as U Banquet Group Holding Limited

譽宴集團控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1483)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

FINANCIAL HIGHLIGHTS

For the six months period ended 30 June 2021 (the “Interim Period”), unaudited operating results of the Group (as defined below) were as follows:

- Revenue from continuing operations reached approximately HK\$158,099,000 representing an increase of 27.7% compared to the same period of the previous financial year;
- Profit from continuing operations attributable to shareholders of the Company increased by 143.6% to HK\$22,846,000 for the Interim Period as compared to HK\$9,378,000 for the same period of previous financial year;
- Basic and diluted earnings per share for the Interim Period based on weighted average number of ordinary shares was HK3.11 cents;
- No dividend was declared for the Interim Period.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board of directors (the “Board”) of Net-a-Go Technology Company Limited (formerly known as U Banquet Group Holding Limited) (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the Interim Period together with the comparative unaudited figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Unaudited for the six months ended 30 June	
		2021	2020
	Note	HK\$'000	HK\$'000
Continuing operations			
Revenue	4	<u>158,099</u>	<u>123,759</u>
Cost of revenue		<u>(119,594)</u>	<u>(81,620)</u>
Gross profit		38,505	42,139
Amortisation		(10,272)	(9,529)
General and administrative expenses	5	(14,502)	(6,645)
Other income		595	310
Gain on disposal of financial assets at fair value through profit or loss		17,786	–
Fair value gain on financial assets at fair value through profit or loss		<u>6,098</u>	<u>254</u>
Operating profit		38,210	26,529
Finance income	6	600	2,232
Finance costs		<u>(36)</u>	<u>(411)</u>
Finance income – net		<u>564</u>	<u>1,821</u>
Profit before income tax		38,774	28,350
Income tax expense	7	<u>(8,326)</u>	<u>(10,187)</u>
Profit for the period from continuing operations		30,448	18,163

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2021

		Unaudited for the six months ended 30 June	
	<i>Note</i>	2021	2020
		HK\$'000	HK\$'000
Discontinued operations			
Loss for the period from discontinued operations	8	–	(10,597)
Gain on disposal of discontinued operations		–	81,401
		<hr/>	<hr/>
Profit for the period arising from discontinued operations		–	70,804
		<hr/>	<hr/>
Profit for the period		30,448	88,967
		<hr/> <hr/>	<hr/> <hr/>
Profit attributable to:			
Equity holders of the Company		22,846	80,182
Non-controlling interests		7,602	8,785
		<hr/>	<hr/>
		30,448	88,967
		<hr/>	<hr/>
Profit attributable to the equity holders of the Company arise from:			
– Continuing operations		22,846	9,378
– Discontinued operations		–	70,804
		<hr/>	<hr/>
		22,846	80,182
		<hr/>	<hr/>
Other comprehensive income/(loss) for the period:			
Items that may be reclassified to profit or loss			
– Exchange difference on translation of foreign operations		5,236	(8,669)
		<hr/>	<hr/>
Other comprehensive income/(loss) for the period, net of tax		5,236	(8,669)
		<hr/>	<hr/>
Total comprehensive income for the period		35,684	80,298
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2021

		Unaudited for the six months ended 30 June	
	<i>Note</i>	2021	2020
		HK\$'000	HK\$'000
Total comprehensive income attributable to:			
Equity holders of the Company		28,082	70,517
Non-controlling interests		7,602	9,781
		<hr/> 35,684 <hr/>	<hr/> 80,298 <hr/>
Total comprehensive income/(loss) for the period attributable to the equity holders of the Company arise from:			
– Continuing operations		28,082	(287)
– Discontinued operations		<hr/> –	<hr/> 70,804
		<hr/> 28,082 <hr/>	<hr/> 70,517 <hr/>
Earnings per share attributable to the equity holders of the Company during the period			
Basic and diluted			
– Continuing operations		0.031	0.013
– Discontinued operations		<hr/> –	<hr/> 0.101
Total – Included discontinued operations	<i>10</i>	<hr/> 0.031 <hr/>	<hr/> 0.114 <hr/>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2021

		30 June 2021 (Unaudited) <i>HK\$'000</i>	31 December 2020 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		62,086	49,611
Investment properties		96,382	95,294
Goodwill		113,414	112,134
Right of use assets		1,232	1,568
Deferred income tax assets		666	658
Intangible assets		31,573	41,884
Non-current deposits		2,814	2,850
Contract assets		21,449	22,757
		<u>329,616</u>	<u>326,756</u>
Current assets			
Trade receivables	11	111,393	53,251
Deposit and prepayment		99,475	22,978
Other receivables		4,457	4,390
Financial assets at fair value through profit or loss	12	45,048	119,508
Contract assets		7,821	7,733
Restricted cash		10,066	5,351
Cash and cash equivalents		236,775	129,132
		<u>515,035</u>	<u>342,343</u>
Total assets		<u>844,651</u>	<u>669,099</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		7,950	7,050
Share premium		628,837	480,200
Reserves		(75,703)	(109,156)
		<u>561,084</u>	<u>378,094</u>
Non-controlling interest		<u>96,797</u>	<u>90,040</u>
Total equity		<u>657,881</u>	<u>468,134</u>

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 30 June 2021

		30 June 2021 (Unaudited) <i>HK\$'000</i>	31 December 2020 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Lease liabilities		609	962
Deferred income tax liabilities		34,444	38,960
Deposits received		632	846
		35,685	40,768
Current liabilities			
Trade payables	<i>13</i>	31,225	19,968
Accruals, provisions and other payables		31,242	36,434
Lease liabilities		698	681
Consideration payables		63,742	60,293
Amount due to a related company	<i>14(c)(i)</i>	3,673	3,595
Deposits received		224	276
Current income tax liabilities		20,281	18,770
Loans from a shareholder	<i>14(c)(ii)</i>	–	20,180
		151,085	160,197
Total liabilities		186,770	200,965
Total equity and liabilities		844,651	669,099

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Share capital	Share premium	Capital reserve	Exchange reserve	Share-based payment reserve	Accumulated losses	Statutory reserve	Total	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2021 (Audited)	7,050	480,200	4,986	14,548	10,832	(149,664)	10,142	378,094	90,040	468,134
Comprehensive income:										
Profit for the period	-	-	-	-	-	22,846	-	22,846	7,602	30,448
Other comprehensive income:										
Currency translation difference	-	-	-	5,236	-	-	-	5,236	-	5,236
Total other comprehensive income	-	-	-	5,236	-	-	-	5,236	-	5,236
Total comprehensive income	-	-	-	5,236	-	22,846	-	28,082	7,602	35,684
Transaction with owners in their capacity as owners:										
Issuance of ordinary share	900	148,637	-	-	-	-	-	149,537	-	149,537
Share-based payment	-	-	-	-	4,526	-	-	4,526	-	4,526
Transfer to statutory reserve	-	-	-	-	-	(879)	1,724	845	(845)	-
Balance as at 30 June 2021 (Unaudited)	7,950	628,837	4,986	19,784	15,358	(127,697)	11,866	561,084	96,797	657,881

	Share capital	Share premium	Capital reserve	Exchange reserve	Share-based payment reserve	Accumulated losses	Statutory reserve	Total	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2020 (Audited)	5,880	304,370	181,986	(4,246)	10,409	(242,346)	4,421	260,474	66,416	326,890
Comprehensive income:										
Profit for the period	-	-	-	-	-	80,182	-	80,182	8,785	88,967
Other comprehensive loss:										
Currency translation difference	-	-	-	(9,665)	-	-	-	(9,665)	996	(8,669)
Total other comprehensive loss	-	-	-	(9,665)	-	-	-	(9,665)	996	(8,669)
Total comprehensive income	-	-	-	(9,665)	-	80,182	-	70,517	9,781	80,298
Transaction with owners in their capacity as owners:										
Issuance of ordinary share	1,170	175,830	(177,000)	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	421	-	-	421	-	421
Transfer to statutory reserve	-	-	-	-	-	(1,016)	1,992	976	(976)	-
Balance as at 30 June 2020 (Unaudited)	7,050	480,200	4,986	(13,911)	10,830	(163,180)	6,413	332,388	75,221	407,609

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 June 2013 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company's registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Company's principal place of business is located at Suite 1201, 12/F, 1111 King's Road, Taikoo Shing, Hong Kong.

The Company is listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries are principally engaged in environmental maintenance business, property leasing business and securities trading business.

The condensed consolidated interim financial information are presented in Hong Kong dollars ("HK\$") unless otherwise stated. These condensed consolidated interim financial information have been approved for issue by the Board of Directors on 18 August 2021.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

On 21 April 2020, the Company entered into a sale and purchase agreement with Mr. Chow Ka Chun Simon ("Mr. Chow") to dispose of the Group's 100% equity interest in YuYan Group (Hong Kong) Investment Limited (the "Disposal Group") at a consideration of HK\$200,000.

The Group completed such disposal on 28 May 2020. Accordingly, the financial results of disposal businesses for the period from 1 January 2020 to 27 May 2020 were presented as "Discontinued Operations" in the accompanying condensed consolidated statement of comprehensive income in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The condensed consolidated interim financial information have been prepared under the historical cost basis. The principal accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2020, except for the amendments and interpretations of Hong Kong Financial Reporting Standards ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which have become effective in this period as detailed in note 2.1 of this announcement.

2.1 New Accounting Standards and Accounting Changes

The following new amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2021. The adoption of these amendments to standards does not have any significant impact to the results and financial position of the Group.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, *Interest Rate Benchmark Reform – Phase 2*
HKFRS 4 and HKFRS 16

The Group has not applied any new standards and interpretations that are not effective for current accounting period.

3. SEGMENT INFORMATION

(a) Analysis of segment revenue and results

The Chief Operating Decision Maker (“CODM”) has been identified as the Directors who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group has three operating segments (i) environmental maintenance business, (ii) property leasing business and (iii) securities trading business.

Certain comparative figures has been reclassified to conform with current year’s presentation.

Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating segment:

	Environmental maintenance business		Property leasing business		Securities trading business		Continuing Operations Sub-total		Discontinued Operations		Total	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Segment revenue												
External Revenue	156,467	122,861	1,496	537	136	361	158,099	123,759	-	21,253	158,099	145,012
Fair value gain on financial assets at fair value through profit and loss	-	-	-	-	6,098	254	6,098	254	-	-	6,098	254
Segment profit/(loss)	33,298	42,102	961	(101)	15,067	648	49,326	42,649	-	(6,652)	49,326	35,997
Finance income							600	2,232	-	1	600	2,233
Finance costs							(36)	(411)	-	(1,385)	(36)	(1,796)
Unallocated corporate expenses							(11,116)	(16,120)	-	(2,561)	(11,116)	(18,681)
Profit/(loss) before tax							38,774	28,350	-	(10,597)	38,774	17,753

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of central administration costs, depreciation of certain plant and equipment, directors' emoluments, finance income, finance cost and exchange gain/(loss). This is the measure reported to the CODM for purposes of resources allocation and performance assessment.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

	Continuing Operations								Discontinued Operations		Total	
	Environmental maintenance business		Property leasing business		Securities trading business		Sub-total		Chinese restaurant and wedding business			
	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020		
	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000		
Segment assets	347,119	290,428	117,592	115,083	123,924	124,965	588,635	530,476	-	-	588,635	530,476
Cash and cash equivalents											246,841	134,483
Deferred income tax assets											666	658
Other unallocated corporate assets											8,509	3,482
Total assets											844,651	669,099
Segment liabilities	56,479	49,449	1,454	825	3,243	1,926	61,176	52,200	-	-	61,176	52,200
Deferred income tax liabilities											34,444	38,960
Amount due to a related company											3,673	3,595
Consideration payables											63,742	60,293
Loans from a shareholder											-	20,180
Current income tax liabilities											20,281	18,770
Other unallocated corporate liabilities											3,454	6,967
Total liabilities											186,770	200,965

(c) **Geographical information**

Revenues are attributed to geographic areas based on the location of customers. Revenues regarding geographical segments based on the location of customers or revenue source for the Interim Period are presented as follows:

	For the six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
China	157,963	123,398
Hong Kong	136	361
	<u>158,099</u>	<u>123,759</u>

Information about major customers

During the Interim Period, no single customer accounted for more than 10% of the Group's total revenue (six months ended 30 June 2020: Nil).

4. REVENUE

Turnover which consists of revenue from (i) environmental maintenance business, (ii) property leasing business and (iii) securities trading business, for the Interim Period together with the comparative unaudited figures for the corresponding period in 2020 are as follows:

	For six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue		
Environmental maintenance business:		
Service income for provision of environmental maintenance services	156,467	122,861
Property leasing business:		
Rental income	1,496	537
Securities trading business:		
Securities interest income	136	361
	<u>158,099</u>	<u>123,759</u>

Assets related to contracts with customers

The Group has recognised the following revenue-related contract assets

	As at 30 June 2021 (Unaudited) HK\$'000	As at 31 December 2020 (Audited) HK\$'000
Contract assets		
Classified under:		
– non-current assets	21,449	22,757
– current assets	7,821	7,733
	<u>29,270</u>	<u>30,490</u>

As at 30 June 2021, contract assets amounting to HK\$29,270,000 (as at 31 December 2020: HK\$30,490,000) as the Group has entered into a service contract with a customer of its environmental maintenance business in which the Group has provided the relevant services ahead of the agreed payment schedule of 8 years. Contract assets of HK\$21,449,000 are classified as non-current assets, based on the agreed payment schedule as at 30 June 2021.

5. GENERAL AND ADMINISTRATIVE EXPENSES

	For six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Depreciation on fixed assets	556	1,133
Legal and professional fee	1,463	967
Rent and rate	523	232
Share-based payment expenses	4,526	421
Staff salaries and allowances	4,892	2,981
Travelling expenses	528	420
Others	2,014	491
	<u>14,502</u>	<u>6,645</u>

6. FINANCE INCOME

The finance income for the Interim Period amounted to approximately HK\$600,000 (six month ended 30 June 2020: HK\$2,232,000) mainly comprised of interest income on short-term bank deposits.

7. INCOME TAX EXPENSE

	For six months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Current income tax		
Hong Kong profit tax	–	–
PRC enterprise income tax	8,326	10,187
Income tax expenses	<u>8,326</u>	<u>10,187</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for six months ended 30 June 2021 and 2020. The applicable corporate income tax rate for Mainland China subsidiaries is 25% on the estimated assessable profits.

8. DISCONTINUED OPERATIONS

On 21 April 2020, the Company entered into a sale and purchase agreement with Mr. Chow, to dispose its entire Chinese restaurant and wedding business through the disposal of the Group's 100% equity interest in the Disposal Group. As the disposed businesses are considered as separate major line of businesses, the corresponding operations had been classified as discontinued operations as a result of the completion of such disposal.

The results of these discontinued operations for the six month period ended 30 June 2021 and 2020 are set out below:

	Unaudited for the six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Revenue	–	21,523
Other income	–	1,663
Cost of revenue	–	(4,129)
Employee benefit expenses	–	(8,829)
Depreciation	–	(11,762)
Rental and related expenses	–	(469)
Utilities expenses	–	(2,756)
Other expenses	–	(4,454)
	<hr/>	<hr/>
Operating loss	–	(9,213)
Finance income	–	1
Finance cost	–	(1,385)
Finance cost – net	–	(1,384)
	<hr/>	<hr/>
Loss before income tax	–	(10,597)
Income tax expense	–	–
	<hr/>	<hr/>
Loss for the period from discontinued operations	<hr/> <hr/>	<hr/> <hr/>

The disposal was completed on 28 May 2020. The carrying amounts of assets and liabilities as at 28 May 2020, the disposal date, were as follow:

	2020 <i>HK\$'000</i> (Unaudited)
Property, plant and equipment	9,175
Prepayments and deposits	10,782
Deferred tax assets	847
Right-of-use assets	20,937
Current income tax recoverable	627
Cash and cash equivalents	527
Trade receivables	391
Accruals other payable and provision	(2,202)
Lease liabilities	(38,267)
Contract liabilities	(29,038)
Amounts due to a director/related company	(53,510)
Trade payables	(817)
Deferred income tax liabilities	(207)
Provision of reinstatement cost	<u>(446)</u>
Net liabilities disposed of	(81,201)
Gain on disposal of subsidiaries	<u>81,401</u>
Cash consideration received	200
Cash and cash equivalents disposed of	<u>(527)</u>
Net outflow of cash and cash equivalents in respect of the disposal	<u><u>(327)</u></u>

9. DIVIDENDS

The Directors do not recommend payment of interim dividend for the Interim Period (six months ended 30 June 2020: Nil).

10. EARNINGS PER SHARE

(a) *Basic*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Interim Period and corresponding period of previous financial year.

	For six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>22,846</u>	<u>80,182</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>743,287</u>	<u>701,143</u>
Earnings per share (<i>HK\$</i>)	<u><u>0.031</u></u>	<u><u>0.114</u></u>

(b) *Diluted*

Diluted earning/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Interim Period, the Company has one category of dilutive potential ordinary shares: 10,400,000 share options granted (six months ended 30 June 2020: 10,400,000 share options granted). However, the computation of diluted earnings per share for the Interim Period does not assume the exercise of share option granted by the Company as the exercise price of those options was higher than the average market price per share.

11. TRADE RECEIVABLES

	30 June 2021 (Unaudited) <i>HK\$'000</i>	31 December 2020 (Audited) <i>HK\$'000</i>
0 to 30 days	30,020	26,885
31 to 60 days	26,387	10,853
61 to 90 days	27,863	7,611
More than 90 days	27,123	7,902
	<u>111,393</u>	<u>53,251</u>

As at 30 June 2021, the Group's trade receivables mainly comprised receivables from the Group's environmental maintenance business. These receivables were not past due nor impaired and amounted to approximately HK\$111,393,000 (as at 31 December 2020: HK\$53,251,000). They are related to customers for whom there were no recent history of default.

As at 30 June 2021, no trade receivables were impaired (as at 31 December 2020: same). No provision for impairment of trade receivables was made as at 30 June 2021 (as at 31 December 2020: same).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Hong Kong listed equity securities	13,673	45,817
Unlisted equity investments	31,375	53,497
Listed debt instruments	–	20,194
	<u>45,048</u>	<u>119,508</u>

13. TRADE PAYABLES

The aging analysis of trade payables based on the invoice date was as follows:

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
0-30 days	15,935	7,899
31-60 days	2,132	1,372
61-90 days	1,904	290
More than 90 days	11,254	10,407
	<u>31,225</u>	<u>19,968</u>

The carrying amounts of the Group's trade payables approximate their fair values and are denominated in Hong Kong dollars.

14. RELATED PARTIES TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise control or significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Related parties

The Directors are of the view that the following individuals/companies were related parties that had transactions or balances with the Group during the Interim Period:

Name	Relationship with the Group
Mr. Sang Kangqiao (“Mr. Sang”)	Controlling shareholder and chairman of the Board of Director
Mr. Xu Wenze (“Mr. Xu”)	Controlling shareholder and executive director
Guorun Construction Group Co. Ltd	A company controlled by Mr. Xu

(b) Transactions with related parties

Except for the transactions disclosed elsewhere in this announcement, the Group had the following significant transactions with its related parties during the Interim period:

	For six months end 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Interest expenses paid or payable to Mr. Sang	—	381

(c) **Balances with related parties**

The Group had the following balances with related parties:

(i) **Amount due to a related company**

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Non-trade payables to a related company:		
Guorun Construction Group Co. Ltd	<u><u>3,673</u></u>	<u><u>3,595</u></u>

As at 30 June 2021 and 31 December 2020, amount due to a related company is unsecured, interest-free and repayable on demand. The carrying amount of amount due to a related company approximated its fair value and is denominated in HK\$.

(ii) **Loans from a shareholder**

	30 June 2021 (Unaudited) HK\$'000	31 December 2020 (Audited) HK\$'000
Loans from Mr. Sang	<u><u>–</u></u>	<u><u>20,180</u></u>

On 1 November 2016, the Company and Mr. Sang entered into a loan facility agreement under which Mr. Sang has agreed to make available to the Company from time to time an unsecured loan facility amounted to HK\$300,000,000 with an interest rate of 4.5% per annum. The loan was repaid in full during the Interim Period.

15. EVENTS AFTER THE REPORTING PERIOD

Change of Company Name and Change of Company Website

On 9 August 2021, the English name of the Company has been changed to “Net-a-Go Technology Company Limited” and “網譽科技有限公司” has been adopted as the new dual foreign name of the Company. The website of the Company will be changed from “www.u-banquetgroup.com” to “www.netago.hk” to reflect the Change of Company Name with effect from 9 August 2021.

For details, please refer to the announcements of the Company dated 12 April 2021 and 9 August 2021, and circular dated 6 May 2021.

Adoption of Share Award Scheme

On 10 August 2021, the Company adopt a share award scheme (the “Scheme”), pursuant to which existing Shares may be purchased by the trustee from the market and/or off the market by utilising the funds allocated by the Board out of the Company’s resources and be held in trust for the relevant selected participants until such shares are vested with the relevant selected participants in accordance with the Scheme.

The Scheme shall be valid and effective for a term of 10 years commencing from the adoption date (i.e. 10 August 2021). The maximum number of Shares that may be purchased by the trustee for the purpose of the Scheme shall be no more than 79,500,000 shares in aggregate, representing 10% of the total number of issued shares of the Company as at the adoption date.

The eligibility of any of the eligible participants to an award shall be determined by the Board or the committee from time to time on the basis of the Board’s or the committee’s sole opinion as to his contribution and/or future contribution to the development and growth of the Group. The eligible participants include (i) any employee of the Group or any invested entity; and (ii) any non-executive directors (including independent non-executive directors) of the Group or any invested entity.

The purpose and objective of the Scheme is: (i) to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives in order to retain them for continual operation and development of the Group; and (ii) to attract and retain suitable personnel for further development of the Group.

For details, please refer to the announcement of the Company dated 10 August 2021.

Save as disclosed above, there is no material subsequent event undertaken by the Group after 30 June 2021, up to the date of this results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONAL OVERVIEW

For the Interim Period, the Group was principally engaged in three operating segments, (i) environmental maintenance business, (ii) property leasing business and (iii) securities trading business. The Company and its subsidiaries recorded a revenue of approximately HK\$158,099,000, compared to a revenue of approximately HK\$123,759,000 for the six month period ended 30 June 2020 (the “Comparative Period”). Profit attributable to the equity holders of the Company from the continuing operations was approximately HK\$22,846,000 for the Interim Period (Comparative period: HK\$80,182,000).

The decrease in profit attributable to the equity holders of the Company were mainly attributable to the absence of an one-off gain on disposal of discontinued operations of HK\$70.8 million in the Comparative Period.

Environmental Maintenance Business

The environmental maintenance business is based in Chengdu, the PRC, and is penetrating into other regions in the PRC such as Xinjiang Autonomous Region, Hebei Province and Inner Mongolia Autonomous Region. Its scope of services mainly includes (i) janitorial services for public areas in cities; (ii) classification management of solid waste, bulky garbage and food waste; and (iii) facility maintenance management of refuse collection points.

As of 30 June 2021, the Group had a total of 25 environmental maintenance service contracts in progress with the total contract amount for the remaining contract term of approximately RMB632 million.

Property Leasing Business

During the Interim Period, the Group recorded rental income in the amount of HK\$1,496,000 for the leasing of an office in Beijing (Comparative Period: HK\$537,000). The rental income increased as the Group recovered from the office vacancy in the Interim Period.

Securities Trading Business

During the Interim Period, the Group recorded securities interest income in the amount of HK\$136,000 from financial assets at fair value through profit or loss (Comparative Period: HK\$361,000).

Furthermore, the Group actively invested in the security market in Hong Kong and recorded gain on disposal of financial assets at fair value through profit or loss in the amount of approximately HK\$17,786,000 (Comparative Period: Nil) and fair value gain of financial assets at fair value through profit and loss in the amount of approximately HK\$6,098,000 (Comparative Period: HK\$254,000).

The table below sets forth the performance of different financial assets held by the Group during the Interim Period:

Nature of financial assets	Name of the underlying company	Remarks	Value as at	Investment	Receipt from	Realised gain	Unrealised	Fair value	Number of	Size relative
			1 January 2021	for the interim Period	disposal for the interim Period	for the interim period	fair value change for the interim period	as at 30 June 2021	shares held as at 30 June 2021	to total assets as at 30 June 2021
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Unlisted Equity Investments	AMC Wanhai Securities Limited	a	53,497	-	56,053	2,556	-	-	N/A	-
Unlisted Equity Investments	A private fund		-	29,838	-	-	1,537	31,375	N/A	3.7%
Hong Kong Listed Equity Securities	A listed company engaged in information technology business	b	42,956	-	47,549	12,378	4,959	12,744	900,000	1.5%
Hong Kong Listed Equity Securities	Various listed companies in HK	b	2,861	2,509	6,650	2,607	(398)	929	N/A	0.1%
Listed Debt Instruments	Various listed debt instruments	c	20,194	-	20,439	245	-	-	N/A	-
			<u>119,508</u>	<u>32,347</u>	<u>130,691</u>	<u>17,786</u>	<u>6,098</u>	<u>45,048</u>		

- a. The unlisted equity investments represent the investment in Deep Blue SP I which were designated as a segregated portfolio of Deep Blue Fund SPC (the "Fund") by the board of directors of the Fund in July 2017. The investment objective of the segregated portfolio is to maximize capital appreciation by investing a wide range of instruments mainly in listed bond. The fair value of the segregated portfolio was valued by the respective investment managers at the last business day in March, June, September and December in each year. For details, please refer to the announcements of the Company dated 2 July 2020 and 13 July 2020.
- b. The fair value of the listed equity securities is determined based on a quoted market bid price in a relevant stock exchange.
- c. The fair value of the listed debt instruments is determined based on a quoted market bid price in a relevant stock exchange.

FINANCIAL REVIEW

Revenue

The table below sets forth the revenue breakdown of the Group's for the Interim Period and Comparative Period:

	For the six months ended	
	30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
– from environmental maintenance business	156,467	122,861
– from property leasing business	1,496	537
– from securities trading business	136	361
	<u>158,099</u>	<u>123,759</u>

During the Interim Period, the Group recorded a total revenue of approximately HK\$158,099,000 (Comparative Period: approximately HK\$123,759,000) representing an increase of approximately 27.7% as compared to the corresponding period in 2020. The increase was primarily due to the increase of revenue from environmental maintenance business.

Cost of Revenue

The cost of revenue is mainly comprised of service fees to workers, material consumed, depreciation on machinery and motor vehicles, motor vehicles expenses and utilities expenses from the environmental maintenance business. Cost of revenue for the Interim Period amounted to approximately HK\$119,352,000 (Comparative Period: HK\$81,620,000), representing an increase of approximately 46.2% as compared to Comparative Period. The increase in cost of revenue mainly in line with increase of revenue from the environmental maintenance business.

Employee Benefit Expenses

The Group had 1,797 workers from the environmental maintenance business in PRC and 62 office staff from Hong Kong and PRC office, total 1,859 employees as at 30 June 2021 (As at 30 June 2020: 1,057 workers and 32 office staff, total 1,089 employees). Salaries and benefits expenses for workers were recognised as service fees to workers and classified under cost of revenue while salaries and benefits expenses for office staff were classified under general and administrative expenses.

During the Interim Period, salaries and benefits expenses for workers and office staff were respectively approximately HK\$71,174,000 and HK\$4,892,000 (Comparative Period: approximately HK\$51,341,000 and HK\$2,981,000). Salaries and benefits expenses for workers and staff increased in line with the increase in number of workers employed and staff employed. The Group would regularly review the work allocation of the workers and office staff to maintain a high standard of service.

Profit Attributable to the Equity Holders of the Company

During the Interim Period, the Group recorded profit attributable to the equity holders of the Company in the amount of approximately HK\$22,846,000 (Comparative Period: approximately HK\$80,182,000). The decrease in profit attributable to the equity holders of the Company were mainly attributable to the absence of an one-off gain on disposal of discontinued operations of HK\$70.8 million in the Comparative Period.

Liquidity, Financial Resources and Capital structure

Capital structure

The Group's objectives of managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors its capital on the basis of the gearing ratio. The Group's strategy for lowering the gearing ratio to an acceptable level remain constant during the Interim Period.

Cash position and pledged bank deposit

As at 30 June 2021, the Group's cash and cash equivalents were approximately HK\$236,775,000 representing an increase of approximately 83.4% as compared with approximately HK\$129,132,000 as at 31 December 2020. The increase was mainly due to the net proceeds in the amount of approximately HK\$149,500,000 received from the Share Placing on 15 April 2021.

Trade receivables

As at 30 June 2021, the Group's trade receivables were approximately HK\$111,393,000, representing an increase of approximately 109.2% as compared to such amount as at 31 December 2020. The trade receivables were mainly comprised of trade receivable from the environmental maintenance business while the increase was mainly arising from new environmental maintenance projects which have longer credit period.

Capital expenditure

For the Interim Period, the Group's capital expenditure was approximately HK\$17,059,000 (Comparative Period: approximately HK\$3,884,000), which was mainly used in the environmental maintenance business.

Gearing ratio

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as consideration payables plus loans from a shareholder less cash and cash equivalents. Total capital is calculated as 'equity' shown in the consolidated balance sheet plus net debt. As at 30 June 2021 and 31 December 2020, the Group was in a net cash position, hence, no gearing ratio is disclosed.

Foreign Exchange Exposure

The Group operated in Hong Kong and PRC and primarily used HKD and RMB for the business in Hong Kong and PRC. The Group was exposed to foreign exchange risk based on fluctuations between HKD and RMB arising from its core operation in the Hong Kong and PRC. The Group did not undertake derivatives financial instruments or hedging instruments for speculative purposes. The Group will constantly review the economic situation and its foreign currency risk profile, continue to actively monitor foreign exchange exposure to minimize the impact of any adverse currency movement.

Significant Investment Held, Material Acquisition or Disposal of Subsidiaries and Affiliated Companies and Plans for Material Investment or Capital Assets

Subscription of new shares under general mandate

On 16 December 2019, the Company entered into a subscription agreement with Goldpalm Offshore Limited (金棕欄海外有限公司), a limited company incorporated in the British Virgin Islands, (“Goldpalm”), pursuant to which Goldpalm has conditionally agreed to subscribe for (or procure the subscription by its nominee(s)) and the Company has agreed to allot and issue 117,000,000 new Shares at the subscription price of HK\$1.53 per subscription share to Goldpalm or its nominee(s)) (“the Subscription Agreement”). All the conditions precedent under the Subscription Agreement have been fulfilled and completion of the subscription took place on 7 January 2020 (the “2020 Subscription”). For details, please refer to the announcements of the Company dated 16 December 2019, 19 December 2019 and 7 January 2020.

On 23 March 2021, the Company entered into an agreement for the placing of up to an aggregate of 90,000,000 new ordinary shares of the Company to not less than six places at a price of HK\$1.68 per share (the “Share Placing”). All the conditions precedent set out in the agreement have been fulfilled and completion of the Share Placing took place on 15 April 2021. For details, please refer to the announcements of the Company dated 23 March 2021 and 15 April 2021.

Termination of memorandum of understanding (“MOU”) in relation to a possible acquisition and capital injection

On 23 March 2021, the Company entered into a MOU with Beijing Yunling Technology Co., Ltd.* (北京雲聆科技有限公司) (“the Target Company”) and Mr. Guo Peng in relation to the acquisition made to Aikuyou (HK) Limited (“the Transferor”) for the entire equity interest in the Target Company held by the Transferor and the capital injection into the Target Company. (“the Possible Acquisition”).

On 30 April 2021, the Company entered into a deed of termination to terminate the MOU with effect from 30 April 2021 as each of the parties to the MOU could not agree on the material terms for the Possible Acquisition. Each of the parties to the MOU has confirmed that there shall be no claim against each other in respect of any matters under or arising from the MOU. For details, please refer to the announcements of the Company dated 23 March 2021 and 30 April 2021.

Lapse of disclosable transaction in relation to the deemed disposal of the equity interest in a subsidiary

On 7 September 2020, Shenzhen BYL Ecological Technology Company Limited* (深圳寶潤來生態科技有限公司) (“Shenzhen BYL”), an indirectly non wholly-owned subsidiary of the Company which currently holds 100% equity interests in the Aerospace Sanchuang Environmental Technology Chengdu Co., Ltd.* (航天三創環保科技(成都)有限公司) (“the Target Company”), entered into the capital increase agreement with Sichuan Aerospace Science and Technology Environmental Protection Equity Investment Fund Management Center (Limited Partnership)* (四川航天航科環保股權投資基金管理中心(有限合夥)) (“the Investor”) and the Target Company, pursuant to which the Investor will invest RMB80.0 million (equivalent to approximately HK\$90.48 million) to the Target Company and the registered capital of the Target Company will increase from RMB60.0 million to RMB75.0 million.

* for identification purposes only

Supplemental agreement and second supplemental agreement were signed by Shenzhen BYL, the Target Company and the Investor on 30 December 2020 and 20 May 2021 which extended the settlement date to 10 July 2021. As stated in the second supplemental agreement, if the conditions precedent to the capital increase agreement have not been duly satisfied before 10 July 2021, the capital increase agreement shall be automatically terminated, and the New Investor shall transfer back any equity interests in the Target Company to Shenzhen BYL at no consideration.

On 12 July 2021, a certain conditions precedent under the capital increase agreement have not been fully fulfilled, therefore the capital increase agreement has lapsed accordingly, whereupon none of the parties to the capital increase agreements shall have any obligations and liabilities towards each other thereunder. For details, please refer to the announcements of the Company dated 7 September 2020, 17 September 2020, 30 December 2020, 20 May 2021 and 12 July 2021.

Redemption of interest in a segregated portfolio of a fund

On 2 July 2020, Wah Shuk Holdings Limited (華成控股有限公司), (“the Subscriber”), a wholly-owned subsidiary of the Company, had entered into a subscription agreement with the Deep Blue Fund SPC, pursuant to which the Subscriber had agreed to subscribe for the Class B shares in the Deep Blue SP I of the Fund in a sum of US\$7,000,000. The subscription amount was determined after arm’s length negotiations between the parties with reference to, among other things, the prospect and the return of the Deep Blue SP I of the Fund and the financial resources available to the Group. For details, please refer to the announcements of the Company dated 2 July 2020 and 13 July 2020.

On 27 April 2021, the Subscriber has served a redemption request to the Fund, pursuant to which the Subscriber intended to redeem all of its Class B Shares in the Fund. The proceeds from the Redemption is approximately US\$7,233,000. After completion of the redemption on 7 May 2021, the Subscriber did not hold any Class B Shares in the Fund. The Group recorded a gain of approximately US\$233,000 from the redemption, being the difference between the proceeds of the redemption and the initial subscription price of the Class B Share being redeemed. For details, please refer to the announcements of the Company dated 2 July 2020, 13 July 2020 and 27 April 2021.

USE OF PROCEEDS

The Company has conducted the following equity fund raising activities during the Interim Period and subsequently after 30 June 2021:

Use of Proceeds from the 2020 Subscriptions

The net proceeds from the 2020 Subscription were approximately HK\$177,000,000 and the Company intends to apply the net proceeds in (i) the settlement of outstanding consideration payable for the acquisition of BYL Property Holdings Group Limited in 2018 (“Settlement of Consideration Payable”) amounting to approximately HK\$74,571,000 as at 31 December 2019; and (ii) general working capital as to the remaining balance. Up to the date of this announcement, the Company had paid approximately HK\$13,920,000 for the Settlement of outstanding consideration payable, with the remaining balance to be utilised as intended. Approximately HK\$102,429,000 has been utilised as general working capital as intended. The Group has no intention to change the use of proceeds from the 2020 Subscriptions.

Use of Proceeds from the Share Placing

The net proceeds from the Share Placing were approximately HK\$149,500,000 and the Company intends to apply HK\$93,800,000 for the Possible Acquisition and the transactions contemplated thereunder, HK\$41,700,000 for funding the operating costs and expenses of the initial stages of the new environmental maintenance projects secured by the Group, and HK\$14,000,000 as general working capital of the Group.

Despite of the termination of MOU, the Board maintains its view that investments in highgrowth businesses in the PRC, including high technology, software consulting and internet service related business, will generate a stable and constant stream of income to the Group and create long term value for the Shareholders. Therefore, the Board will adhere to the original plan for the use of net proceeds of the Share Placing as stated in the completion announcement dated 15 April 2021 and apply the abovementioned net proceeds which were originally allocated to the Possible Acquisition and the transactions contemplated thereunder for the possible investment and transactions in the future with similar nature as the transaction contemplated under the MOU.

For details, please refer to the announcements of the Company dated 23 March 2021, 15 April 2021 and 3 May 2021.

Up to the date of this announcement, the Company had used HK\$41,700,000 for funding the operating costs and expenses of the initial stages of the new environmental maintenance projects and HK\$14,000,000 has been utilized as general working capital as intended. The Group has no intention to change the use of proceeds from the Share Placing.

Fulfillment of Profit Guarantee in Relation to the Acquisition

Reference was made to the announcements of the Company dated 9 February 2018, 16 March 2018, 16 April 2018, 16 May 2018, 29 May 2018 and 12 June 2018 in respect of the acquisition of BYL Property Holdings Group Limited (“Target Company”). Pursuant to the sales and purchase agreement signed between Wild South Limited (“the Purchaser”), a wholly-owned subsidiary of the Company, and Mr. Wan Zhong (“the Vendor”), the Vendor irrevocably and unconditionally warrants and guarantees the Purchaser that the aggregated audited consolidated net profit (after taxation and excluding any profit or loss deriving from activities not within the ordinary and usual course of business) (the “Audited Profit”) of the Target Company together with its subsidiaries (the “Target Group”) for the three financial years ending 31 December 2020 (the “Relevant Period”) as stated in the audited consolidated financial statements of the Target Group for the Relevant Period (the “Audited Accounts”) to be prepared by a Hong Kong certified public accountants’ firm (as approved by the Purchaser) shall not be less than the total sum of RMB94,500,000 (equivalent to approximately HK\$118,125,000) (the “Guaranteed Amount”). If the Audited Profit is less than the Guaranteed Amount, the Vendor will pay the Purchaser a compensation based on the formula prescribed in the sales and purchase agreement.

The Audited Accounts indicates that the Audited Profit had exceeded RMB94,500,000 which implied that the guaranteed profit of the Target Group for the three financial years ending 31 December 2020 has been met. For details please refer to the announcement of the Company dated 16 April 2021.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the Interim Period and the period immediately prior to the date of this announcement.

Impact of COVID-19

As as the date of this announcement, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

Contingent Liabilities

As at 30 June 2021, the Group did not have any material contingent liabilities.

Employees and Remuneration Policies

The Group had 1,859 (as at 30 June 2020: 1,089) employees as at 30 June 2021 for the continuing operations. The Group's remuneration practices are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee.

Dividend

The Directors do not recommend payment of dividend for the Interim Period (Comparative Period: Nil).

Share Option

On 5 February 2021, the Company granted share options under its share option scheme adopted on 19 November 2013 ("2013 Share Option Scheme") to certain eligible grantees (the "Grantees"), which, subject to acceptance by the Grantees, will enable the Grantees to subscribe for an aggregate of 29,600,000 ordinary shares of the Company of HK\$0.01 each in the share capital of the Company at the exercise price of HK\$1.21 per share as stated in the announcement of the Company dated 5 February 2021 and 9 February 2021.

On 16 June 2021, the adoption of a new share option scheme (the "2021 Share Option Scheme") was approved by the shareholders of the Company. The total number of ordinary shares which may be issued upon the exercise of all options to be granted under the 2021 Share Option Scheme must not in aggregate exceed 79,500,000 Shares (representing 10.00% of the total issued share capital of the Company as at the date of approval of the 2021 Share Option Scheme).

Save and except the 29,600,000 options granted on 5 February 2021, no options had been granted, exercised, lapsed or forfeited during the Interim Period, and there were 40,000,000 options remained outstanding as at 30 June 2021 under the 2013 Share Option Scheme.

No options had been granted, exercised, lapsed or forfeited during the Interim Period, and there were nil options remained outstanding as at 30 June 2021 under the 2021 Share Option Scheme.

Prospects

The environmental maintenance business maintained its continuing growth as a result of securing various service contracts across various regions in the PRC including Chengdu, Xinjiang Autonomous Region, Hebei, Inner Mongolia Autonomous Region. It is expected that with the increasing number of service contracts secured by the Group, the environmental maintenance business shall continue to contribute stable income stream for the Group.

As of 30 June 2021, the Group had a total of 25 environmental maintenance service contracts in progress with the total contract amount for the remaining contract term of approximately RMB632 million.

Looking forward, the Group will continue to utilize its available resources to engage and develop its core business. Apart from the environmental maintenance business, the Group will explore business opportunities in other industries and double down on investments in high growth businesses in the PRC (including high technology, software consulting and internet services related business) that will flourish in the post-pandemic economic environment in order to generate a stable and constant stream of income to the Group and create long term value for our shareholder.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the Interim Period, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Interim Period was the Company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices. The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the Interim Period. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the Interim Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Group had adopted Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings.

Having made specific enquiries to all the Directors and all the Directors of the Company had confirmed compliance with the required standard of dealings and the code of conduct for directors’ securities transactions during the Interim Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”). The Audit Committee performs, amongst others, review financial information of the Group; review relationship with and the terms of appointment of the external auditors; and review the Company’s financial reporting system, internal control system and risk management system.

The existing Audit Committee of the Company consists of three independent non-executive directors of the Company, chaired by Mr. Lam Ka Tak and the other two members are Mr. Xu Zhihao and Mr. Wong Sincere.

The unaudited interim financial results of the Group for the Interim Period have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company’s website (www.netago.hk) and the HKExnews website (www.hkexnews.hk) of Hong Kong Exchanges and Clearing Limited. The 2021 Interim Report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the above websites in due course.

APPRECIATION

The Company's continuous development and progress facing market competition and challenges rest on the dedication and contributions of our staff from all departments as well as the trust, support and encouragement from all shareholders and business partners. On behalf of the Board, I would also like to express our sincere thanks to shareholders, clients, suppliers, business partners and other stakeholders for their continuing trust and unfailing support.

By Order of the Board
Net-a-Go Technology Company Limited
Sang Kangqiao
Chairman and Executive Director

Hong Kong, 18 August 2021

As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao, Mr. Xu Wenze and Mr. Cui Peng; the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.