旭通控股
STEERING HOLDINGS

Steering Holdings Limited
旭 通 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1826)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021 AND CONTINUED SUSPENSION OF TRADING

FINANCIAL HIGHLIGHTS

The board (the "**Board**") of directors (the "**Directors**") of Steering Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2021 (the "**Relevant Period**"), together with the unaudited comparative figures for the corresponding period in 2020.

	For the six months ended 30 June		
	2021	2020	
	HK$'000	*HK$'000*	Change %
	(Unaudited)	(Unaudited) (restated)	
Continuing operations			
Revenue	**123,161**	187,385	(34.3%)
Gross loss	**(11,437)**	(20,858)	(45.2%)
Profit/(loss) attributable to owners of the Company	**70,276**	(99,778)	N/A
Earnings/(loss) per share	**HK5.3 cents**	(HK7.5 cents)	N/A
Discontinued operations			
Profit from discontinued operations	**5,147**	528	874.8%

- The Group's revenue from continuing operations amounted to approximately HK$123.2 million for the Relevant Period, representing a decrease of approximately HK$64.2 million or approximately 34.3% as compared with the six months ended 30 June 2020.

- The profit attributable to owners of the Company from continuing operations is approximately HK$70.3 million for the Relevant Period, as compared with loss attributable to owners of the Company of HK$99.8 million for the six months ended 30 June 2020.

- The profit from discontinued operations is approximately HK$5.1 million for the Relevant Period, representing an increase of approximately HK$4.6 million or approximately 874.8% as compared with the six months ended 30 June 2020.

- The Board does not recommend the payment of an interim dividend for the Relevant Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
			(restated)
Continuing operations			
Revenue	*4*	**123,161**	187,385
Cost of services		**(134,598)**	(208,243)
Gross loss		**(11,437)**	(20,858)
Other income	*5A*	**2,559**	18,144
Other gains and losses	*5B*	**2,591**	10,819
Gain on disposal of subsidiaries	*24*	**97,996**	–
Impairment losses under expected credit losses ("**ECL**") model, net of reversal	*5C*	**921**	(132,870)
Administrative expenses		**(20,849)**	(43,218)
Finance costs	*6*	**(162)**	(1,485)
Profit/(loss) before tax	*7*	**71,619**	(169,468)
Income tax (expenses)/credit	*8*	**(15)**	16,164
Profit/(loss) for the period from continuing operations		**71,604**	(153,304)
Discontinued operations			
Profit for the period from discontinued operations	*9*	**5,147**	528
Profit/(loss) for the period		**76,751**	(152,776)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(4,826)**	2,892
Exchange difference on translation from functional currency to presentation currency		**338**	(8,488)
		(4,488)	(5,596)
Item that may be reclassified subsequently to profit or loss:			
Reclassification of cumulative translation of foreign operations	*24*	**(11,953)**	–
Exchange differences arising on translation of foreign operations		**(2,453)**	(177)
		(14,406)	(177)
Other comprehensive expense for the period		**(18,894)**	(5,773)
Total comprehensive income/(expense) for the period		**57,857**	(158,549)

	Note	Six months ended 30 June 2021 HK$'000 (Unaudited)	2020 HK$'000 (Unaudited) (restated)
Profit/(Loss) for the period attributable to owners of the Company:			
— Continuing operations		**70,276**	(99,778)
— Discontinued operations		**5,147**	528
		75,423	(99,250)
Profit/(Loss) for the period attributable to non-controlling interests:			
— Continuing operations		**1,328**	(53,526)
— Discontinued operations		**–**	–
		1,328	(53,526)
		76,751	(152,776)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		**57,596**	(103,108)
Non-controlling interests		**261**	(55,441)
		57,857	(158,549)
Earnings/(Loss) per share, basic and diluted *(HK cents)*	*11*		
— for continuing operations		**5.3**	(7.5)
— for discontinued operations		**0.4**	0.0
For continuing and discontinued operations		**5.7**	(7.5)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	**30 June 2021** *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**89**	1,908
Right-of-use assets		**3,098**	337
Equity instruments at FVTOCI	*12*	**–**	18,457
Deferred tax assets		**–**	3
		3,187	20,705
Current assets			
Contract assets	*13*	**84,293**	95,193
Trade and other receivables	*14*	**147,280**	226,309
Financial assets at fair value through profit or loss ("**FVTPL**")	*15*	**–**	13,902
Tax recoverable		**180**	1,346
Pledged bank deposits		**9,883**	25,583
Bank balances and cash		**26,277**	24,023
		267,913	386,356
Current liabilities			
Trade and other payables	*16*	**134,014**	229,259
Contract liabilities	*17*	**31,646**	31,731
Amounts due to a shareholder	*19*	**14,149**	12,406
Tax payable		**–**	119,285
Lease liabilities		**3,191**	3,994
Bank borrowings	*18*	**–**	6,500
		183,000	403,175
Net current assets/(liabilities)		**84,913**	(16,819)
Total assets less current liabilities		**88,100**	3,886

	Note	30 June 2021 HK$'000 (Unaudited)	31 December 2020 HK$'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		**56**	56
Lease liabilities		**2,954**	1,514
		3,010	1,570
Net assets		**85,090**	2,316
Capital and reserves			
Share capital	*20*	**13,320**	13,320
Reserves		**71,650**	14,054
Equity attributable to owners of the Company		**84,970**	27,374
Non-controlling interests		**120**	(25,058)
Total equity		**85,090**	2,316

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. CORPORATE INFORMATION

Steering Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 March 2015. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

During the Relevant Period, the Company's immediate holding company was changed from Gentle Soar Limited ("**Gentle Soar**") to Masterveyor Holdings Limited ("**Masterveyor**"), both companies incorporated in the British Virgin Islands. Its ultimate controlling shareholder was changed from Mr. Gao Yunhong ("**Mr. Gao**"), who is the non-executive director, to Mr. Ng Kin Siu ("**Mr. Ng**"), who is an executive director and chief executive officer of the Company.

The Company is an investment holding company. The Group is principally engaged in the provision of contracting business, project management, and provision of financial information and technology services to individuals and credit services providers in the People's Republic of China (the "**PRC**").

During the Relevant Period, the Group discontinued the business of the provision of building consultancy services along with the disposal of a subsidiary (see note 9). In addition, the Group disposed certain subsidiaries, which mainly engaged in the provision of financial information and technology services, and details are set out in Note 24.

The condensed consolidated financial statements are presented in Hong Kong Dollar ("**HK$**") to suit the needs of the shareholders and investors. All values are rounded to the nearest thousand except when otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than the adoption of new accounting policies and changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Amendments to HKFRSs that are mandatorily effective for the current period

The Group has applied the following amendments to HKFRSs which are mandatorily effective for the Period:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the Relevant Period has had no material effect on the amounts reported and/or disclosures in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group recognises revenue from the following major sources:

— Continuing operations

- Contracting business and project management ("**Contracting service**")
- Provision of financial information and technology services ("**Financial information and technology service**")

— Discontinued operations

- Provision of building consultancy services ("**Consultancy service**")

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2021		
	Continuing operations		
	Contracting service *HK$'000* (Unaudited)	Financial information and technology service *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Types of service			
Construction	**114,989**	**–**	**114,989**
Provision of financial information and technology services	**–**	**8,172**	**8,172**
Total	**114,989**	**8,172**	**123,161**
Geographical markets			
Hong Kong	**114,989**	**–**	**114,989**
Mainland China	**–**	**8,172**	**8,172**
Total	**114,989**	**8,172**	**123,161**
Timing of revenue recognition			
A point in time	**–**	**8,172**	**8,172**
Over time	**114,989**	**–**	**114,989**
Total	**114,989**	**8,172**	**123,161**

	Contracting service HK$'000 (Unaudited)	Financial information and technology service HK$'000 (Unaudited)	Total HK$'000 (Unaudited) (restated)
	For the six months ended 30 June 2020 Continuing operations		
Types of service			
Construction	172,119	–	172,119
Provision of financial information and technology services	–	15,266	15,266
Total	172,119	15,266	187,385
Geographical markets			
Hong Kong	172,119	–	172,119
Mainland China	–	15,266	15,266
Total	172,119	15,266	187,385
Timing of revenue recognition			
A point in time	–	15,266	15,266
Over time	172,119	–	172,119
Total	172,119	15,266	187,385

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

Continuing operations

1. Contracting service

2. Financial information and technology service

Discontinued operations

1. Consultancy service

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

For the six months ended 30 June 2021

	Continuing operations		
	Contracting service *HK$'000* **(Unaudited)**	**Financial information and technology service** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
REVENUE			
Segment revenue	**114,989**	**8,172**	**123,161**
Segment (loss)/profit	**(13,087)**	**2,571**	**(10,516)**
Unallocated income			**103,146**
Unallocated expenses			**(21,011)**
Profit before tax			**71,619**

For the six months ended 30 June 2020

	Continuing operations		
	Contracting service *HK$'000* (Unaudited)	Financial information and technology service *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited) (restated)
REVENUE			
Segment revenue	172,119	15,266	187,385
Segment loss	(20,625)	(127,975)	(148,600)
Unallocated income			18,144
Unallocated expenses			(39,012)
Loss before tax			(169,468)

Segment (loss)/profit represents the profit/(loss) from each segment before tax without allocation of other income, other gains and losses, gain on disposal of subsidiaries, finance costs and the unallocated expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment. No analysis of the Group's assets and liabilities is regularly provided to the CODM for review. Therefore, no analysis of segment assets and segment liabilities is presented.

5A. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(restated)
Continuing operations		
Bank interest income	**12**	206
Government grants*	**–**	13,051
Others	**2,547**	4,887
	2,559	18,144

* Government grants represent rewards to certain subsidiaries of the Company located in the PRC with no further obligations and conditions to be complied with, and Covid-19-related subsidies for the six months ended 30 June 2020.

5B. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Net foreign exchange losses	**(332)**	(33)
Gain/(loss) on disposal of property, plant and equipment	**158**	(138)
Gain from change in fair value of financial assets at FVTPL	**2,765**	10,990
	2,591	10,819

5C. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(restated)
Continuing operations		
Impairment losses/(reversal of impairment losses) recognised on:		
— Trade receivables	**(479)**	57,591
— Retention receivables	**(103)**	7,236
— Other receivables and deposits	**(199)**	34,791
— Contract assets	**(140)**	8,565
— Deposits to a credit service provider and a financial institution	**–**	7,868
— Other receivables from a credit service provider	**–**	16,819
	(921)	132,870

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(restated)
Continuing operations		
Interest on:		
Bank borrowings	**16**	1,072
Bank overdrafts	**–**	17
Advance from customers	**–**	289
Lease liabilities	**146**	107
	162	1,485

7. PROFIT/(LOSS) BEFORE TAX

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(restated)
Continuing operations		
Profit/(loss) before tax has been arrived at after charging:		
Directors' emoluments	**2,650**	2,008
Salaries and other allowances	**25,206**	40,564
Retirement benefit scheme contributions, excluding those of directors	**945**	3,455
Total staff costs	**28,801**	46,027
Depreciation of property, plant and equipment	**4**	780
Depreciation of right-of-use assets	**800**	7,084
Amortisation of intangible assets	**–**	385

8. INCOME TAX EXPENSES/(CREDIT)

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax		
Hong Kong Profits Tax	**–**	(9)
PRC Enterprise Income Tax	**15**	106
	15	97
Deferred tax	**–**	(16,261)
Income tax expenses/(credit)	**15**	(16,164)

No Hong Kong profits tax has been provided as the Group has no assessable profits arising in Hong Kong during the Relevant Period.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% for both periods.

9. DISCONTINUED OPERATIONS

On 10 February 2021, the Group disposed of its entire equity interests in Fruit Design & Build Limited ("**Fruit Design**") to an independent third party for cash consideration of HK$8,500,000, and thereafter the Group ceased the operation of its consulting business.

Fruit Design carried out the Group's consulting business, which was discontinued by the Group along with the disposal.

The results of the consulting business for the period from 1 January 2021 to 10 February 2021 have been presented as a discontinued operation in the Group's condensed consolidated statement of profit or loss for the current period, and the comparative figures in the preceding year have been restated accordingly.

	Period from 1 January 2021 to 10 February 2021 *HK$'000*	Period ended 30 June 2020 *HK$'000*
Revenue	**2,882**	26,196
Cost of services	**(2,131)**	(22,917)
Gross profit	**751**	3,279
Other income	**–**	1,813
Impairment loss under ECL model, net of reversal	**–**	(185)
Administrative expenses	**(1,040)**	(4,377)
Finance costs	**(1)**	(2)
(Loss)/profit before tax	**(290)**	528
Income tax expense	**–**	–
(Loss)/profit for the period	**(290)**	528
Gain on disposal of a subsidiary	**5,437**	–
Profit for the period from discontinued operations	**5,147**	528

Profit for the period from discontinued operation is arrived at after charging:

	2021 *HK$'000* **(Unaudited)**	2020 *HK$'000* (Unaudited)
Salaries and other allowances	**2,037**	13,232
Retirement benefit scheme contributions, excluding those of directors	**70**	339
Total staff costs	**2,107**	13,571
Depreciation of property, plant and equipment	**73**	364
Depreciation of right-of-use assets	**11**	22

Cash flows from discontinued operation for the periods are as follows:

	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash from operating activities	**6,698**	5,265
Net cash used in investing activities	**–**	(153)
Net cash used in financing activities	**(13)**	(2)

The analysis of assets and liabilities of Fruit Design at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	1,835
Right-of-use assets	326
Deferred tax assets	3
Contract assets	401
Trade and other receivables	11,950
Tax recoverable	1,166
Bank balances and cash	2,473
Trade and other payable	(8,515)
Amount due to a fellow subsidiary	(6,248)
Lease liabilities	(328)
	3,063
Gain on disposal of subsidiaries	5,437
Total consideration	8,500

	HK$'000
Net cash flow arising on disposal:	
Cash consideration received	8,500
Less: Bank balances and cash disposed of	(2,473)
	6,027

10. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2021 and 2020. The Directors have determined that no dividend will be paid in respect of the interim periods.

11. EARNINGS/(LOSS) PER SHARE

The calculations of the basic earnings/(loss) per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(restated)
Earnings/(Loss):		
Earnings/(Loss) for the purpose of basic earnings/(loss) per share	**75,423**	(99,250)
Less: Profit for the period from discontinued operations	**(5,147)**	(528)
Earnings/(Loss) for the purpose of basic earnings/(loss) per share from continuing operations	**70,276**	(99,778)

	Six months ended 30 June	
	2021	2020
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**1,332,000**	1,332,000

No diluted (loss)/earnings per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

12. EQUITY INSTRUMENTS AT FVTOCI

	30 June	31 December
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed investments		
— Equity securities listed in Hong Kong *(Note)*	**–**	18,457

Note: The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading; instead, they are held for long-term strategic purposes. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the period between 27 May 2021 and 1 June 2021, the Company, through its indirect wholly-owned subsidiary, Jet Speed Asia Pacific Limited ("**Jet Speed**"), conducted a series of on-market transactions to dispose of the whole sums of equity instruments at FVTOCI (137,740,000 number of shares), at the selling price between HK$0.098 and HK$0.101, with an aggregate consideration of approximately HK$13,674,000 (exclusive of transaction costs).

This provides the Group with a good opportunity to realise its investment in equity instruments at FVTOCI. It was made with reference to the prevailing market and the Board considers that it can enable the Group to realise cash resources to fund the general working capital and enhance liquidity of the Group. For details, please refer to the announcement dated 1 June 2021.

13. CONTRACT ASSETS

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Contracting service *(Note)*	**84,293**	95,193

Note: As at 30 June 2021, contract assets of approximately HK$4,475,000 (unaudited) (31 December 2020: HK$4,475,000 (audited)) are due from a related party, Land Ease Limited ("**Land Ease**"), a company wholly-owned by Mr. Ng.

As at 30 June 2021, included in contract assets are retention held by customers for contract works amounted to approximately HK$37,342,000 (unaudited) (31 December 2020: HK$37,295,000 (audited)), in which approximately HK$4,475,000 (unaudited) (31 December 2020: HK$4,475,000 (audited)) are retention held by Land Ease. The retention money was expected to be recovered or settled within twelve months from the end of the reporting period.

The contract assets primarily relate to the Group's rights to consideration for works completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

14. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables *(Note a)*	**43,594**	361,885
Less: allowance for ECL	**(2,151)**	(292,513)
	41,443	69,372
Retention receivables *(Note b)*	**13,263**	16,086
Less: allowance for ECL	**(2,278)**	(2,381)
	10,985	13,705
Other receivables, deposits and prepayments		
— Deposits to a credit service provider and a financial institution *(Note c)*	**–**	52,472
Less: allowance for ECL	**–**	(42,198)
	–	10,274
— Other receivables from a credit service provider *(Note d)*	**–**	126,727
Less: allowance for ECL	**–**	(97,537)
	–	29,190
— Other receivables *(Note e)*	**36,008**	122,901
Less: allowance for ECL	**(107)**	(80,097)
	35,901	42,804
— Prepayment	**55,949**	56,349
— Sundry deposits	**3,002**	3,790
— Accounts receivables in custodian *(Note f)*	**–**	825
	58,951	60,964
	147,280	226,309

Notes:

(a) Included in the trade receivables as at 30 June 2021, approximately HK$nil (31 December 2020: HK$1,612,000) are due from Land Ease. The trade receivables due from Land Ease as at 30 June 2021 and 31 December 2020 are all aged within 30 days, based on certificate/invoice dates.

(b) Retention money in relation to completed projects of approximately HK$8,522,000 (31 December 2020: HK$13,470,000) were unbilled as at 30 June 2021. The Group has unconditional right to the payment of the unbilled retention receivables which is expected to be billed within 12 months from the end of the reporting period.

(c) During the year ended 31 December 2020, the Group paid deposits of approximately RMB35,735,000 (equivalent to approximately HK$39,946,000) and RMB8,804,000 (equivalent to approximately HK$9,848,000) to a credit service provider and a financial institution, respectively. Both parties are independent to the Group. The deposits were calculated based on a fixed percentage of the amounts of loans distributed to the borrowers through the credit service provider or the financial institution. The deposits will be released upon the relevant loans becoming matured. The loan periods are within 3 months to 1 year. As at 30 June 2021, the carrying amount of the deposits was nil, as disposed along with the disposal of Shanghai Faye Yu Technology Company Limited ("**Shanghai Faye**") and its subsidiaries (the "**Shanghai Faye Group**") on 30 March 2021.

(d) During the year ended 31 December 2020, the Group provided an amount of approximately RMB158,929,000 (equivalent to approximately HK$177,689,000) to a credit service provider, who is independent to the Group, as part of the business cooperation between the Group and the credit service provider. The amount is unsecured, interest-free and repayable on demand. As at 30 June 2021, the carrying amount of the other receivables was nil, as disposed along with the disposal of Shanghai Faye Group on 30 March 2021.

(e) Of the other receivables as at 31 December 2020, gross carrying amount of approximately HK$79,528,000 arose from payments amounting to RMB67,504,000 made by the Group to agents in relation to the financial information and technology services business of the Group. Full impairments loss under ECL model of approximately HK$79,528,000 was provided during the year ended 31 December 2020. As at 30 June 2021, the carrying amount of the balance was nil, as disposed along with the disposal of Shanghai Faye Group on 30 March 2021.

(f) Balance represents revenue collected by custodian on behalf of the Group for service fee earned from individual borrowers in the financial information and technology service business. The balance will be transferred back to the bank accounts of the Group upon the Group's instructions.

The Group allows credit period ranging from 0 to 90 days to its customers. The following is an aging analysis of the Group's trade receivables net of allowance for ECL presented based on certificate/invoice dates.

	30 June 2021	31 December 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables:		
1–30 days	**25,971**	28,489
31–60 days	**5,836**	15,133
61–90 days	**111**	2,568
91–180 days	**2,421**	14,101
Over 180 days	**7,104**	9,081
	41,443	69,372

15. FINANCIAL ASSETS AT FVTPL

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Equity securities listed in the PRC	**–**	13,902

The financial assets at FVTPL was disposed along with the disposal of the Shanghai Faye Group on 30 March 2021. For details, please refer to the announcement of the Company dated 30 March 2021.

16. TRADE AND OTHER PAYABLES

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Trade payables	**15,580**	36,405
Retention payables *(Note a)*	**36,104**	45,303
Other payables	**6,030**	–
Accrued subcontracting charges	**72,046**	80,745
Accrued operating expenses *(Note b)*	**4,254**	54,876
Withholding tax payable related to dividend payable to non-controlling shareholder of a subsidiary	**–**	2,386
Dividend payable to non-controlling shareholder of a subsidiary	**–**	9,544
	134,014	229,259

Notes:

(a) In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the works of subcontractors have been completed.

(b) Included in the balance as at 30 June 2021, no balance is due to 達飛雲貸科技(北京)有限公司 (Dafy Yundai Technology (Beijing) Co., Ltd.) ("**Dafy Yundai**") (31 December 2020: HK$6,524,000 (audited)). The amount due to Dafy Yundai which is controlled by Mr. Gao is rental expenses payable in respect of hardware and software system.

Included in the balance as at 30 June 2021, no balance is due to 深圳達飛科技控股有限公司 (Shenzhen Dafy Technology Holding Co., Ltd.) ("**Shenzhen Dafy**") (31 December 2020: HK$7,106,000 (audited)) for the purchase of risk management and operations management system from Shenzhen Dafy and other operating expenses paid by Shenzhen Dafy on behalf of the Group.

The credit period on trade payables is 0 to 30 days.

An aging analysis of the Group's trade payables based on invoice dates at the end of the reporting period is as follows:

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Trade payables:		
1–30 days	**7,046**	24,202
31–60 days	**78**	574
61–90 days	**–**	132
Over 90 days	**8,456**	11,497
	15,580	36,405

17. CONTRACT LIABILITIES

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Deposits from customers	**31,646**	31,731

18. BANK BORROWINGS

	30 June 2021 *HK$'000* **(Unaudited)**	31 December 2020 *HK$'000* (Audited)
Carrying amount of bank borrowings that are repayable on demand or within one year	**–**	6,500

As at 31 December 2020, the Group entered into various borrowings with banks, mainly to finance its business operations. Such borrowings had been secured by the pledged bank deposits.

As at 31 December 2020, the Group's variable-rate bank borrowings are all denominated in HK$ and carry at interest rates of Hong Kong Interbank Offered Rate ("**HIBOR**") plus 2.75% per annum.

The effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follow:

	30 June 2021 **(Unaudited)**	31 December 2020 (Audited)
Variable-rate per annum:		
Bank borrowings	**–%**	2.97%

19. AMOUNTS DUE TO A SHAREHOLDER

The amounts are unsecured, interest-free and repayable within one year from the end of the reporting period.

20. SHARE CAPITAL

	Number of Shares	Amount *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2020, 31 December 2020 and 30 June 2021	4,000,000,000	40,000
Issued and fully paid:		
At 1 January 2020, 31 December 2020 and 30 June 2021	1,332,000,000	13,320

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value **As at 30 June 2021** *HK$'000* **(Unaudited)**	As at 31 December 2020 *HK$'000* (Audited)	Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs and sensitivity
Listed equity securities at FVTOCI	–	18,457	Level 1	Quoted bid prices in an active market	N/A
Listed equity securities at FVTPL	–	13,902	Level 3	Market approach	Adjusted price-to-book ratio: 0.693 times Discount rate for lack of marketability 15.80%

There were no transfers between instruments in Level 1 and 2, or transfer into or out of level 3 during the Relevant Period.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of other financial assets and financial liabilities measured at amortised cost and recorded in the condensed consolidated financial statements approximate their fair values.

22. SURETY BONDS

Certain customers of construction contracts require the group entities to issue guarantees for performance of contract works in the form of surety bonds. The surety bonds are secured by pledged bank deposits. In addition, the Group provided a counter-indemnity to the financial institutions that issue such surety bonds.

As at 30 June 2021, the outstanding amount of surety bonds of the Group was approximately HK$30,664,000 (unaudited) (31 December 2020: HK$33,178,000 (audited)).

23. RELATED PARTY DISCLOSURES

(a) In addition to the transactions disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following material transactions with related parties:

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dafy Yundai		
License fee in respect of hardware and software system	**–**	952
Land Ease		
Contracting service income	**–**	18,277

(b) **Compensation of key management personnel**

The Directors are identified as key management members of the Company, and their compensation during the periods were set out as follows.

	Six months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries and other allowances	**2,632**	1,999
Retirement benefit scheme contributions	**18**	9
	2,650	2,008

24. DISPOSAL OF SUBSIDIARIES

Continuing operations

On 30 March 2021, the Group disposed of its equity interests in Shanghai Faye Group, which is mainly engaged in the provision of financial information and technology services, to an independent third party for cash consideration of RMB1.

The analysis of assets and liabilities of Shanghai Faye Group at the date of disposal were as follows:

	HK$'000
Trade and other receivables	51,161
Amount due from fellow subsidiaries	4,849
Financial assets at FVTPL	16,833
Bank balances and cash	2,875
Trade and other payable	(64,404)
Contract liabilities	(86)
Tax payable	(120,786)
	(109,558)
Release of translation reserve	(11,959)
Non-controlling interests	24,673
Gain on disposal of subsidiaries	96,844
Total consideration	–*

	HK$'000
Net cash flow arising on disposal:	
Cash consideration received	–*
Less: Bank balances and cash disposed of	(2,875)
	(2,875)

* The amount is less than HK$1,000.

On 28 May 2021, the Group disposed of its equity interests in subsidiaries, namely Tianjin Turing Technology Information Consulting Company Ltd* and its subsidiary, which are mainly engaged in the provision of financial information and technology services, to an independent third party for cash consideration of RMB1.

* *for identification purpose only*

The analysis of assets and liabilities at the date of disposal were as follows:

	HK$'000
Trade and other receivables	1,339
Bank balances and cash	4,607
Trade and other payable	(7,348)
	(1,402)
Release of translation reserve	6
Non-controlling interests	244
Gain on disposal of subsidiaries	1,152
Total consideration	–*

	HK$'000
Net cash flow arising on disposal:	
Cash consideration received	–*
Less: Bank balances and cash disposed of	(4,607)
	(4,607)

* The amount is less than HK$1,000.

25. LITIGATION AND EVENT AFTER REPORTING PERIOD

Notwithstanding as disclosed in page 35 to page 36 under the section headed "Litigation", no material litigation with financial impact to the Group is expected.

Except as disclosed in page 42 under the heading 'Event after reporting period' and elsewhere in this announcement, no significant event has taken place subsequent to 30 June 2021 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Financial information and technology services segment

This segment involved the provision of financial information and technology services to individuals in the PRC with the aim to changing consumer habits through providing a wide range of financial products or services to improve customers' accessibility of financials services. The Group acts as a financial intermediary to leverage on risk management and operations management's systems and other related technologies to analyse big data, assess risk levels, and match the financial needs of services providers and consumers by adopting artificial intelligence.

On 30 March 2021, Jet Speed entered into a share transfer agreement with Mr. Zhang Jin ("**Mr. Zhang**"), an independent third party, pursuant to which the Jet Speed disposed of the entire equity interest of Shanghai Faye to Mr. Zhang, at a total cash consideration of RMB1. Prior to the disposal, Shanghai Faye was an indirect wholly owned subsidiary of the Company and principally engaged in the provision of computer information network, electronic technology development consulting and advertising. The Shanghai Faye Group carried out the loan facilitation business of the Group in the PRC. The disposal has been completed on 30 March 2021. For details, please refer to the Company's announcement dated 30 March 2021.

The Board considered that the disposal offers an opportunity to improve the financial position of the Group and is a solution to address the issues giving rise to the disclaimer opinion by its auditors.

Construction segment

The services involved in the construction segment include: contracting services for alteration and addition works, maintenance, specialist works and new development; and consulting services for alteration and addition works, new development, licensing, building services, and architectural design for buildings in Hong Kong. The Group provides one-stop integrated solution for both contracting and consulting services from project planning, resources allocation, subcontractor management and material procurement to monitoring and quality assurance, and to offering value-adding services such as providing advice on designs to the Group's customers.

BUSINESS REVIEW AND OUTLOOK

The Group continued to develop the contracting services in the construction segment in Hong Kong while withered the financial information and technology services business in the PRC. The Directors believe that the continuous diversification of business and income streams will take advantage of new business opportunities that may give rise to more sustainable growth in shareholders' value and empower us to capture greater opportunities.

With the continuous widespread of the coronavirus pandemic (the "**COVID-19**") in the first half of 2021, and the prolonged implementation of travel restrictions and social distancing measures, the economic activities in the PRC and Hong Kong were severely affected which disrupted supply chains and changed consumption habits. The lockdowns have negatively affected the consumer market in the PRC with many workers facing layoffs, pay cuts and furloughs. On the other hand, consumption habits are seen to have shifted online, which in turn alleviated the downside effects on consumption and boosted online retail sales.

Financial information and technology services segment

The Group has tapped into the financial information and technology services segment in the last quarter of 2018 to diversify the Group's portfolio and expand its operations into China by developing a range of high integrity and user-friendly platforms to serve the financial services users in the PRC.

In response to the impact of COVID-19 on the Group's operations, the Group has repositioned its business models by expanding its platform's services to consumer debt management in the second half of 2020, where the Group provides services to credit services providers as a financial intermediary.

Having made reference to different overseas credit business models, the Company intends to further explore on the business model to provide debt restructuring solutions to borrowers who are in financial difficulties and are unable to meet his/her/its repayments of credit card debts and/or debts owing to consumer finance companies, small sized loan companies or even private lenders, etc. The Board believes that, by providing a broader range of financial services, the Group would enlarge its customers base and reduce credit risk exposure. The Company is setting up a one-stop consumer debt management services platform, to provide consultancy services to borrowers and credit service providers as a financial intermediary. It is expected that the repositioning, if materialised, will improve the cash flow and liquidity position of the Group since the new services will reduce the Group's reliance on the consumer market in China. The Company will closely monitor market situations and adjust its strategies as and when needed. In addition, the Group has strengthened cost control and resources management including retrenchment of certain employees in respect of the Group's financial information and technology services segment and putting certain of them on furlough. The Company will keep track of its capital requirements and maintain a continuous dialogue with its stakeholders, including bankers, major shareholders and potential investors in Hong Kong and China, to ensure that future funding, if needed, can be secured in a timely manner.

Construction segment

In January 2021, the Group entered into a sale and purchase agreement to dispose of Fruit Design at the consideration of approximately HK$8.5 million, the completion of which took place in February 2021. The revenue of this subsidiary during the Relevant Period was approximately HK$2.9 million. Please refer to the announcements of the Company dated 5 October 2020, 22 January 2021 and 2 February 2021 for details in relation to such disposal.

The Board has been informed by the financing banks of the Group that due to the high risk profile of the Group's financial information and technology service as well as unsatisfactory financial performance of the Group, the financing banks have adopted strengthened credit measures towards the Group and tightened the credit control over the Group, including but not limited to accelerating loan repayments and reducing the credit facility limits. Having said the above, the Company will endeavour to continue the operation of the contracting service business, while it will consider to streamline the existing Group structure by disposing of its non-core business and/or financial assets to solidify the financial position of the Group.

FINANCIAL REVIEW

Financial Performance

During the Relevant Period, due to the slow-down of economy in the PRC and Hong Kong and the outbreak of COVID-19, the revenue of the Group from its continuing operations decreased by approximately HK$64.2 million or 34.3% to approximately HK$123.2 million (2020: HK$187.4 million). The Group recorded a gross loss from its continuing operations of approximately HK$11.4 million (2020: HK$20.9 million). During the Relevant Period, the Group recognised reversal of impairment losses under ECL model, from its continuing operations of approximately HK$0.9 million (2020: impairment losses under ECL model, net of reversal HK$132.9 million). The Group recorded a net profit from its continuing operations for the Relevant Period of approximately HK$76.8 million (2020: net loss HK$152.8 million).

Financial information and technology services segment

The revenue from financial information and technology services decreased by approximately HK$7.1 million or 46.4% from approximately HK$15.3 million for the six months ended 30 June 2020 to approximately HK$8.2 million for the Relevant Period due to the factors as mentioned the business review and outlook section on page 27 of this announcement. The financial information and technology services segment recorded gross profit of approximately HK$2.6 million (2020: gross loss of HK$3.5 million), and gross profit margin of 31.5% for the Relevant Period (2020: gross loss margin 22.6%).

Construction segment

The revenue from contracting services decreased by approximately HK$57.1 million or 33.2% from approximately HK$172.1 million for the six months ended 30 June 2020 to approximately HK$115.0 million for the Relevant Period. The contracting services made a gross loss of approximately HK$14.0 million for the Relevant Period (2020: HK$17.4 million) and recorded a gross loss margin of 12.2% for the Relevant Period (2020: 10.1%). The gross loss of contracting services was mainly due to (i) the decrease in revenue and the number of projects undertaken by the Group; and (ii) high costs of the project team and operating team incurred in maintaining competitiveness of the Group in the tender bidding of other projects in the coming years.

Other income

Other income from its continuing operations amounted to approximately HK$2.6 million for the Relevant Period (2020: HK$18.1 million, representing a decrease of approximately 85.6%), which was due to the government grants with the amounts of HK$13.1 million received during the last period.

Other Gains and Losses

The Group has other gains from its continuing operations of approximately HK$2.6 million (2020: HK$10.8 million) for the Relevant Period. It was mainly contributed by the gain from change in fair value of financial assets at FVTPL.

Impairment losses, net of reversal

During the Relevant Period, reversal of impairment losses, from its continuing operations was provided of approximately HK$0.9 million of the construction segment services.

The impairment losses, net of reversal of last period were mainly resulted from the financial information and technology services segment, and this segment has disposed on 30 March 2021.

Administrative Expenses

Administrative expenses of the Group from its continuing operations decreased by approximately HK$22.4 million or 51.9% from approximately HK$43.2 million for the six months ended 30 June 2020 to approximately HK$20.8 million for the Relevant Period. Such decrease was primarily due to decline in depreciation of right-of-use assets and salaries and other allowances of approximately HK$6.3 million and HK$17.2 million, respectively, during the Relevant Period.

Finance costs

Finance costs of the Group from its continuing operations decreased by approximately HK$1.3 million or 86.7% from approximately HK$1.5 million for the six months ended 30 June 2020 to approximately HK$0.2 million for the Relevant Period, as the interest paid for the bank borrowings decreased for the Relevant Period.

Income tax expenses/(credit)

Due to the disposal and suspension of operation of certain subsidiaries in the PRC, no deferred tax was recognized (2020: deferred tax credit of HK$16.3 million) during the Relevant Period. Meanwhile, the Group recorded income tax expenses of approximately HK$15,000 during the Relevant Period (2020: HK$16.2 million).

Profit/loss and total comprehensive income/loss for the period attributable to the owners of the Company

Profit for the period attributable to the owners of the Company from its continuing operations was approximately HK$70.3 million for the Relevant Period (2020: loss of HK$99.8 million).

It was primarily attributable to the net effect of (i) the decrease in revenue of financial information and technology services and (ii) gain on disposal of certain subsidiaries of the Company.

Total comprehensive income for the period attributable to the owners of the Company from its continuing operations was approximately HK$57.6 million (2020: loss of HK$103.1 million).

It was primarily attributable to the net effect of (i) the decrease in revenue of financial information and technology services; (ii) gain on disposal of certain subsidiaries of the Company; and (iii) exchange losses classified in other comprehensive income.

Equity instruments at fair value through other comprehensive income

Equity instruments at FVTOCI represents investments in the ordinary shares of an entity listed in Hong Kong which are held for long-term strategic purpose. FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the investment revaluation reserve. The fair value of the equity is determined based on the quoted market price available on the Stock Exchange.

During the period between 27 May 2021 and 1 June 2021, Jet Speed conducted a series of on-market transactions to dispose of the whole sums of equity instruments at FVTOCI (137,740,000 shares), at the selling price between HK$0.098 and HK$0.101, with an aggregate consideration of approximately HK$13,674,000 (exclusive of transaction costs).

For details, please refer to the announcement of the Company dated 1 June 2021 and the section headed “Litigation — HCA 859/2021” below.

Financial assets at fair value through profit or loss

Financial assets at FVTPL represents investment in the equity securities issued by a listed company in the PRC. FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in profit or loss. The fair value of the equity securities is determined based on the valuation under market approach.

The financial assets at FVTPL was included in the assets of the Shanghai Faye Group and has been disposed of on 30 March 2021 as stated in page 26 of this announcement. For details, please refer to the announcement of the Company dated 30 March 2021.

LIQUIDITY AND FINANCIAL RESOURCES

Net borrowing position

The total borrowings, including bank borrowings and amounts due to a shareholder, as at 30 June 2021 decreased by approximately HK$4.8 million to approximately HK$14.1 million (31 December 2020: approximately HK$18.9 million). The change in total borrowings was mainly attributable to decrease in bank borrowings and repayment of all outstanding balances of HK$6.5 million during the Relevant Period. Bank balances and cash and pledged bank deposits as at 30 June 2021 dropped by approximately HK$13.4 million to approximately HK$36.2 million (31 December 2020: approximately HK$49.6 million). Therefore, the net cash position of the Group declined to approximately HK$22.1 million (31 December 2020: approximately HK$30.7 million).

Structure of bank borrowings and amounts due to a shareholder

As at 30 June 2021, bank balances and cash and pledged bank deposits of the Group denominated in Renminbi and Hong Kong Dollar amounted to HK$1.4 million and HK$34.8 million respectively (31 December 2020: approximately HK$6.1 million and HK$49.6 million respectively).

As at 30 June 2021, the Group's bank borrowings and amounts due to a shareholder amounted to nil and HK$14.1 million respectively (31 December 2020: approximately HK$6.5 million and HK$12.4 million respectively), all of which (31 December 2020: all) were denominated in Hong Kong Dollar. The effective interest rate during the Relevant Period was 2.93% (2020: 2.97%). As at 30 June 2021, all are wholly repayable within one year (31 December 2020: all). All of bank borrowings as at 31 December 2020 are charged with reference to variable-rate and as at 30 June 2021, all of amounts due to a shareholder (31 December 2020: all) are interest-free.

Liquidity ratios and gearing ratios

The current ratio of the Group as at 30 June 2021 was 1.5 times (31 December 2020: 0.96 times).

The gearing ratio, calculated based on the total borrowings including bank borrowings and amounts due to a shareholder divided by total equity at the end of the Relevant Period and multiplied by 100%, decreased to approximately 16.6% as at 30 June 2021 (31 December 2020: 816.3%). Such decrease was primarily due to increase in total equity as a result of the gain of disposal of subsidiaries during the Relevant Period.

CAPITAL STRUCTURE

Funding policy and treasury policy

The Group maintains a prudent funding and treasury policy of its overall business operations to minimise financial risks. Surplus funds are generally placed in short term deposits denominated primarily in Hong Kong Dollar or Renminbi. All future projects will be financed by cash flows from operations, banking facilities, or any forms of financing available in Hong Kong and the PRC.

The Group regularly monitors its liquidity requirements and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirements in the short and long term.

As at 30 June 2021, the Company's issued share capital was HK$13,320,000 (31 December 2020: HK$13,320,000) and the number of issued ordinary shares was 1,332,000,000 (31 December 2020: 1,332,000,000) of HK$0.01 each.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Most of the operations of the Group were carried out in the PRC and Hong Kong. The transactions were denominated in Renminbi and Hong Kong Dollar from which approximately 7.1% and 92.9% of the revenue were denominated in Renminbi and Hong Kong Dollar respectively (2020: approximately 3.6% and 96.4%). The management of the Company has been closely monitoring the Group's exposure to foreign exchange fluctuations in Renminbi and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations in Renminbi. The Group will continuously review the economic situation, development of the Group's business segments and its overall foreign exchange rate risk profile, and will consider appropriate hedging measures in the future as and when necessary. As of 30 June 2021, the Group had no significant exposure to fluctuations in exchange rates or under foreign exchange contracts, interest, currency swaps or other financial derivatives (31 December 2020: nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In the short run, the Group will continue to develop the contracting services in the construction segment in Hong Kong through leveraging its expertise and experience to provide a one-stop integrated solution in order to maintain its core competitive advantages in the segment. At the same time, the Group will keep on diversifying its business in the financial information and technology services segment to explore new markets with significant growth potential in the PRC and consider to streamline the existing Group structure by disposing of its non-core business and/or financial assets.

In the long run, the Group will leverage its talents and technological capabilities to collaborate with different strategic alliances in different segments to provide value-added services to its customers in the PRC and Hong Kong.

In addition, following the change of controlling shareholder of the Company in April 2021, the Group intends to leverage upon the expertise and business opportunities that Mr. Ng may have in his sectors of real estate development, property project management and financial services and expand the income stream of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

References are made to the announcements of the Company dated 5 October 2020, 22 January 2021 and 2 February 2021 respectively in relation to the disposal of the entire issued share capital of Fruit Design. On 22 January 2021, FDB & Associates Limited (the "**FDB Associates**") and Mr. Ip Kong Ling ("**Mr. Ip**") entered into the sale and purchase agreement, pursuant to which FDB Associates has conditionally agreed to sell, and Mr. Ip has conditionally agreed to purchase, the entire shares at the consideration of HK$8,500,000. Completion of the disposal ("**Completion**") took place on 10 February 2021. Upon Completion, the Group no longer held any interest in Fruit Design, Fruit Design ceased to be a subsidiary of the Company and the financial results of the Fruit Design are no longer consolidated with the results of the Group.

Prior to the disposal, Fruit Design was an indirect wholly-owned subsidiary of the Company principally engaged in the provision of building consultancy services. In light of the Strengthened Credit Measures, the overall weak performance of the building consultancy business in the past few years and the increasingly difficult business environment of Fruit Design, the disposal would provide the Company with an opportunity to streamline its line of business and the structure of the Group and, at the same time, to obtain immediate cash in return for the Group to focus its resources on the contracting business, which is believed to be more profitable, while the Group continues to explore other more promising business opportunities.

On 30 March 2021, Jet Speed, a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Mr. Zhang, an independent third party, pursuant to which Jet Speed disposed of the entire equity interest of Shanghai Faye to Mr. Zhang, at a total cash consideration of RMB1 (the "**Shanghai Faye Disposal**"). Prior to the Shanghai Faye Disposal, Shanghai Faye was an indirect wholly owned subsidiary of the Company and principally engaged in the provision of computer information network, electronic technology development consulting and advertising. Shanghai Faye Group carried out the loan facilitation business of the Group in the PRC. The Shanghai Faye Disposal has been completed on 30 March 2021. For details, please refer to the Company's announcements dated 30 March 2021, 29 April 2021 and 6 September 2021.

The Board has been informed that although the Shanghai Faye Disposal has been completed, the industrial and commercial registration in respect of the Shanghai Faye Disposal has not been completed. For details, please refer to the Company's announcement dated 6 September 2021.

Save as disclosed above, there was no significant event that took place during the Relevant Period, subsequent to 30 June 2021 and up to the date of this announcement.

CHARGE ON THE GROUP'S ASSETS

As at 30 June 2021, the Group has pledged its bank deposit of approximately HK$9.9 million (31 December 2020: approximately HK$25.6 million) to secure the guaranteed credit facilities for issuing surety bonds and general banking facilities amounting to approximately HK$30.7 million (31 December 2020: approximately HK$41.2 million).

SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group entities to issue guarantees for performance of contract works in the form of surety bonds and secured by pledged bank deposits. In addition, the Group provided a counter-indemnity to the financial institutions who have issued such surety bonds.

As at 30 June 2021, the outstanding amount of surety bonds of the Group was approximately HK$30.7 million (31 December 2020: approximately HK$33.2 million).

Save as disclosed above, as at 30 June 2021, the Group did not have any other material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group employed a total of 116 employees (2020: 309 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$28.8 million for the six months ended 30 June 2021 (2020: approximately HK$46.0 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the individual employee. In addition to a basic salary, year-end discretionary bonuses were offered to staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

LITIGATION

During the reporting period and from the end of the reporting period and up to the date of this announcement, the Company has been named as a party (whether as a nominal defendant or otherwise) in a number of legal actions. Set out hereinbelow are the litigations to which the Company is being named as a party.

HCA 704/2021 (the "704 Action")

Reference is made to the announcement of the Company dated 15 June 2021. As disclosed in the said announcement, on 25 May 2021, the Company received an amended writ of summons dated 25 May 2021 issued by Masterveyor in the High Court of Hong Kong (the "**High Court**") under the 704 Action, against, among others, Mr. Gao, Ms. Feng Xuelian ("**Ms. Feng**") and certain Directors and the Company, disputing the validity of the Board resolutions dated 3 May 2021 and 5 May 2021 in relation to, among other things, removal and appointment of Directors (collectively, the "**Previous Resolutions**").

On 4 June 2021, upon each of Ms. Feng and Mr. Gao undertaking to Masterveyor and the High Court that each of them and servants or agents or otherwise not to act on, implement or carry into effect the Previous Resolutions pending determination of the 704 Action or further order of the High Court, it was ordered by the High Court, among others, that the Company, each of them and their servants or agents or otherwise, be restrained from acting on, implementing or carrying into effect the Previous Resolutions pending determination of the 704 Action or further order of the High Court.

The Company understands that the 704 Action is still ongoing. Further announcements will be made if and when appropriate.

HCA 859/2021 (the "859 Action")

Reference is made to the response document dated 28 June 2021 (the "**Response Document**") issued by the Company in relation to the mandatory unconditional cash offer by China Galaxy International Securities (Hong Kong) Co., Limited ("**China Galaxy**") for and on behalf of Masterveyor to acquire all the issued shares of the Company (the "**Shares**") not already owned or agreed to be acquired by Masterveyor and the parties acting in concert with it (the "**Offer Shares**"), on the terms and conditions set out in the offer document dated 3 June 2021 (the "**Offer**").

As disclosed in the Response Document, on 23 June 2021, each of the Company and Jet Speed have received a Writ of Summons issued by Masterveyor in the High Court under the 859 Action against, among others, Ms. Feng, the Company, Rhythm Hope Limited (a direct wholly-owned subsidiary of the Company) and Jet Speed, pursuant to which it was alleged by Masterveyor that: (i) the disposal of the equity instruments at FVTOCI referred to in the section headed "FINANCIAL REVIEW — Equity instruments at fair value through other comprehensive income" (the "**Equity Instruments Disposal**") was a breach of Rule 4 of the Takeovers Code by the Company and might frustrate the progress of the Offer; (ii) by effecting the Equity Instruments Disposal, Ms. Feng has exercised her power as the sole director of Jet Speed for an improper purpose and in breach of fiduciary/directors duty owed to both Jet Speed and the Company; and (iii) Ms. Feng was in breach of her duties as a director and/or fiduciary duties owed to Jet Speed and the Company, and thereby acted ultra vires, and/or committed a fraud on Jet Speed and the Company, and/or obtained personal benefits or preferred or promoted her personal interests at the expense of the interest of other shareholders or that of Jet Speed and the Company.

The Company understands that Ms. Feng has contested the 859 Action and the 859 Action is still ongoing. Further announcements will be made if and when appropriate.

HCMP 953/2021 (the "HCMP Action")

Reference is made to the Response Document and the announcements of the Company dated 18 June 2021 and 13 July 2021. As disclosed in the said announcements, on 18 June 2021, the Company received a statutory demand (the "**Statutory Demand**") dated 18 June 2021 from the legal adviser acting on behalf of Gentle Soar pursuant to Section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding the Company to pay the amount of HK$14,148,825, allegedly being the amount paid, injected and/or credited to the Company from time to time between the period from 15 August 2018 to 18 May 2021. On 7 July 2021, the Company has received an Originating Summons dated 6 July 2021 taken out by Masterveyor in the High Court under the HCMP Action against Gentle Soar and the Company in relation to the Statutory Demand. On 9 July 2021, upon Gentle Soar undertaking to Masterveyor, the Company and the High Court that it will, and hereby does, withdraw the Statutory Demand, leave has been granted by the High Court to Masterveyor to discontinue the HCMP Action. Please refer to the announcements of the Company dated 18 June 2021 and 13 July 2021 for details.

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the ordinary shares of the Company

Name of Director	Capacity/Nature	Number of shares held/ interest in	Percentage of shareholding
Mr. Ng *(Note 1)*	Interest in controlled corporation	714,280,000	53.6%
Mr. Gao *(Note 2)*	Interest in controlled corporation	209,720,000	15.7%

Notes:

1. Mr. Ng beneficially owns the entire issued share capital of Masterveyor and is deemed, or taken to be, interested in all the shares of the Company held by Masterveyor for the purposes of the SFO. Mr. Ng is an executive Director and chief executive officer of the Company.

2. Mr. Gao beneficially owns the entire issued share capital of Gentle Soar and is deemed, or taken to be, interested in all the shares of the Company held by Gentle Soar for the purposes of the SFO. Mr. Gao is a non-executive Director of the Company.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng	Masterveyor	Beneficial owner	2	100%
Mr. Gao	Gentle Soar	Beneficial owner	1	100%

Save as disclosed above, as at 30 June 2021, none of the Directors nor chief executive of the Company has registered an interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/ Nature of interest	Number of shares held/ Interested in	Long/short position	Percentage of total issued share capital of the Company
Masterveyor	Beneficial owner	714,280,000	Long	53.6%
Ms. Wong Chai Lin	Interest of spouse *(Note 1)*	714,280,000	Long	53.6%
Gentle Soar	Beneficial owner	209,720,000	Long	15.7%
Pop Reach Limited	Beneficial owner	89,480,000	Long	6.7%
Ms. Yeung So Lai	Interest in a controlled corporation *(Note 2)*	89,480,000	Long	6.7%

Notes:

1. Ms. Wong Chai Lin is the spouse of Mr. Ng, an executive Director, the chief executive officer of the Company and the beneficial owner of Masterveyor, and is deemed, or taken to be, interested in all the shares in which Mr. Ng is interested for the purposes of the SFO.

2. Ms. Yeung So Lai is beneficially interested in the entire issued shares of Pop Reach Limited and is therefore deemed to be interested in the shares of the Company held by Pop Reach Limited by virtue of the SFO.

Save as disclosed above, as at 30 June 2021 and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Relevant Period.

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

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

CORPORATE GOVERNANCE CODE

The Board recognises that transparency and accountability are important to a listed company. Therefore, the Company is committed to establishing and maintaining good corporate governance practices and procedures. The Directors believe that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture in return for the benefits of the Company's stakeholders as a whole.

The Board has adopted and complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. The Board is pleased to report compliance with all applicable code provisions of the CG Code by the Company during the Relevant Period.

The Directors will continue to review the Company's corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in the Model Code as set out in Appendix 10 to the Listing Rules. The Company had made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Relevant Period.

INTERIM DIVIDEND

The Board has resolved not to recommend any payment of interim dividend in respect of the Relevant Period (six months ended 30 June 2020: Nil).

SHARE OPTION SCHEME

The share option scheme (the "**Scheme**") is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions of the Directors and other employees who have made valuable contributions to the Group. The Scheme of the Company was adopted on 16 September 2015 (the "**Adoption**"). There was no share option granted or agreed to be granted under the Scheme from the date of the Adoption to 30 June 2021.

The following is a summary of the principal terms of the Scheme but it does not form part of, nor was it intended to be part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

(A) PURPOSE

The Scheme is a share incentive scheme in compliance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (B) below) had or may have made to our Group. The Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and

(ii) to attract and to retain or otherwise to maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(B) THE PARTICIPANTS OF THE SCHEME

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "**Eligible Participants**") to subscribe for such number of new shares as the Board may determine at an exercise price determined in accordance with paragraph (E) below:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and

(iii) any advisers, consultants and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK$1.00 to the Company as consideration for the grant.

(C) MAXIMUM NUMBER OF SHARES

The maximum number of shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue, being 133,200,000 shares, unless the Company obtains a fresh approval.

(D) MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the issued shares of the Company as at the date of grant.

(E) PRICE OF SHARES

The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

(i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;

(ii) the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a share.

(F) TIME OF EXERCISE OF OPTION AND DURATION OF THE SHARE OPTION SCHEME

An option may be exercised in accordance with the terms of the Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the date of the Adoption.

EVENT AFTER REPORTING PERIOD

Reference is made to the offer document issued by Masterveyor dated 3 June 2021 (the "**Offer Document**") and the close of offer announcement issued by Masterveyor dated 12 July 2021 in relation to the Offer.

On 3 June 2021, Masterveyor issued the Offer Document, pursuant to which China Galaxy has made the Offer. The Offer was closed at 4:00p.m. on 12 July 2021 (the "**Closing Date**") and was not revised or extended by Masterveyor. At the close of the Offer, Masterveyor has received valid acceptances of 32,650,000 Offer Shares, representing approximately 2.45% of the entire issued share capital of the Company as at the Closing Date.

Immediately after the close of the Offer, taking into account the valid acceptances in respect of said 32,650,000 Offer Shares, Masterveyor and parties acting in concert with it would hold an aggregate of 746,930,000 Shares, representing approximately 56.08% of the entire issued share capital of the Company as at the Closing Date.

Save as disclosed above, there was no significant event that took place subsequent to 30 June 2021 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with its written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company's annual reports and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Lau Kwok Fai Patrick, Mr. Chan Yuk Sang and Mr. Wan Chi Wai Anthony, all being independent non-executive Directors. Mr. Lau Kwok Fai Patrick currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Relevant Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk and the Company at www.steering.com.hk. The Group's interim report will be despatched to the shareholders of the Company and available on the above websites in due course.

CONTINUED SUSPENSION OF TRADING

Disclaimer opinion

As disclosed in the annual report of the Company for the year ended 31 December 2020, the auditors of the Company (the "**Auditors**") expressed a disclaimer of opinion on consolidated financial statements of the Group for the year ended 31 December 2020 (the "**Disclaimer Opinion**"), while the basis for the Disclaimer Opinion were in relation to (a) other receivables, deposits and prepayments (the "**Receivables Disclaimer**"); (b) income tax expenses and tax payable (the "**Tax Payable Disclaimer**"); and (c) multiple uncertainties relating to going concern (the "**Going Concern Disclaimer**").

As a result of the Disclaimer Opinion, trading in the Shares on the Stock Exchange has been suspended since 31 March 2021.

Resumption guidance

On 17 May 2021, the Company has received resumption guidance from the Stock Exchange. On 2 September 2021, the Company has received additional resumption guidance from the Stock Exchange. According to the resumption guidance, the Company is required to:

(i) demonstrate that it has a validly constituted Board in accordance with the applicable laws and regulations and the Company's articles of association (the "**Board Composition Condition**");

(ii) address the issues giving rise to the Disclaimer Opinion (other than the Going Concern Disclaimer), provide comfort that the Disclaimer Opinion (other than the Going Concern Disclaimer) would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 13.50A of the Listing Rules (the "**Disclaimer Opinion Condition**");

(iii) publish all outstanding financial results required under the Listing Rules and to address any audit modifications (the "**Financial Results Condition**"); and

(iv) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

Board composition condition

As disclosed in the announcement of the Company dated 6 September 2021, every Director is of the view that the current Board is validly constituted in accordance with the applicable laws and regulations and the articles and association of the Company as and from 1 June 2021. Hence, the Directors are of view that the Board Composition Condition has been fulfilled.

Disclaimer opinion condition

On 30 March 2021, the Company has completed the Shanghai Faye Disposal. The Directors are of the view that the Shanghai Faye Disposal is a solution to address the issues giving rise to the Disclaimer Opinion (other than the Going Concern Disclaimer).

To fulfill the Disclaimer Opinion Condition, the Company is now in the course of discussing with the Auditors with the view a obtain the necessary comfort that the Disclaimer Opinion (other than the Going Concern Disclaimer) would no longer be required in accordance with the Listing Rules. Further announcement(s) will be made by the Company in this respect as and when appropriate.

Financial results condition

As the Company has published its unaudited condensed consolidated results of the Group for the six months ended 30 June 2021, the Directors are of view that the Financial Results Condition has been fulfilled upon fulfillment of the Disclaimer Opinion Condition.

Continued suspension of trading

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 31 March 2021. Trading in the Shares will continue to remain suspended until further notice. Further announcement(s) will be made by the Company in this respect as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Steering Holdings Limited
Ng Kin Siu
Executive Director and chief executive officer

Hong Kong, 23 September 2021

As at the date of this announcement, the executive Directors are Ms. Feng Xuelian, Ms. Chang Liang and Mr. Ng Kin Siu (chief executive officer), the non-executive Director is Mr. Gao Yunhong and the independent non-executive Directors are Mr. Chan Yuk Sang, Mr. Wan Chi Wai Anthony, Mr. Lau Kwok Fai Patrick and Mr. Wong Chi Shing.