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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Li Kam Hung  
(*Chairman & Chief Executive Officer*)  
Mr. Yu Ming Ho  
Mr. Yau Yan Ming Raymond  
Mr. Ge Lintao  
(resigned on 4 March 2021)

### Non-executive Directors

Mr. Li Chun Ho  
Mr. Zhu Jun (retired on 2 June 2021)

### Independent Non-executive Directors

Ms. Rita Botelho dos Santos  
Mr. Wu Chou Kit  
Mr. Lam Chi Wing

### AUDIT COMMITTEE

Ms. Rita Botelho dos Santos (*Chairman*)  
Mr. Wu Chou Kit  
Mr. Lam Chi Wing

### REMUNERATION COMMITTEE

Mr. Lam Chi Wing (*Chairman*)  
Mr. Yu Ming Ho  
Mr. Wu Chou Kit

### NOMINATION COMMITTEE

Mr. Li Kam Hung (*Chairman*)  
Mr. Wu Chou Kit  
Mr. Lam Chi Wing

### AUTHORISED REPRESENTATIVES

Mr. Li Kam Hung  
Mr. Yau Yan Yuen  
(removed on 11 May 2021)  
Mr. Lam Wai Kei  
(appointed on 11 May 2021)

## COMPANY SECRETARY

Mr. Yau Yan Yuen (*CPA*)  
(removed on 11 May 2021)  
Mr. Lam Wai Kei (*CPA*)  
(appointed on 11 May 2021)

## AUDITOR

Deloitte Touche Tohmatsu  
(*Registered Public Interest Entity Auditor*)

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Alameda Dr. Carlos d'Assumpcao  
No. 258 Praca Kin Heng Long  
16 Andar G-H, Macau

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 13, 24th Floor  
Honour Industrial Centre  
6 Sun Yip Street  
Chai Wan, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

# CORPORATE INFORMATION

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
Level 54 Hopewell Centre  
183 Queen's Road East  
Hong Kong

## **PRINCIPAL BANK**

Luso International Banking Ltd.  
The Macau Chinese Bank Limited

## **LEGAL ADVISER**

As to Hong Kong Laws  
Hastings & Co.

## **STOCK CODE**

3321  
(listed on the Main Board of The Stock  
Exchange of Hong Kong Limited)

## **WEBSITE**

[whh.com.hk](http://whh.com.hk)

# MANAGEMENT DISCUSSION AND ANALYSIS

The board (the **“Board”**) of directors (the **“Directors”**) of Wai Hung Group Holdings Limited (the **“Company”**) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively the **“Group”**) for the six months ended 30 June 2021 (the **“Reporting Period”**), together with the comparative figures for the corresponding period in 2020 (the **“Previous Period”**).

## BUSINESS REVIEW AND PROSPECTS

The Group is a contractor providing fitting-out services; retrofit for facility management; and repair and maintenance service in Macau. The Group’s fitting-out services primarily cover refitting works for existing buildings and extend to gaming areas, food and beverage facilities, retail related areas, hotels, commercial properties and residential properties. We primarily focus on providing fitting-out services for the commercial segment, in particular facilities located within integrated resorts in Macau.

The Group undertook projects as both main contractor and subcontractor. The majority of its revenue was derived from projects in which we were engaged as main contractor by major licensed casino gaming operators in Macau. To a lesser extent, the Group was also engaged as subcontractor by other fitting-out contractors in Macau and will penetrate and diversify associated business to generate more revenue.

The Group has also established continuous business relationship with major licensed casino gaming operators in Macau. Majority of the customers are group companies of the current six licensed casino gaming operators in Macau, and the share of their respective holding companies are listed on the Stock Exchange. The Group believes that its experienced management team with profound industry knowledge, enhanced market intelligence, its ability to maintain long-term business relationship with its major customers and a stable pool of suppliers and subcontractors have contributed to its success.

Since the outbreak of the Novel Coronavirus (**“COVID-19”**) around the world in the year 2020 has brought severe tests and huge challenges to Macau and the Group, the Macau government has been well managing and undertaking immediate measures in control to prevent the spreading of COVID-19 and to alleviate the adverse impact to the society of Macau. In the short run, the Macau’s economy will continue to struggle in 2021 owing to the shock delivered to global tourism flows by COVID-19, which has decimated the local casino sector. In view of the government economy forecast and expect with largely reflect statistical distortions, the economy will not return to its pre-pandemic size until 2022. The economy of Macau was hit hard by the outbreak of COVID-19.

# MANAGEMENT DISCUSSION AND ANALYSIS

However, the Group believes due to the rigorous control and flexible approach by the Macau government followed with cooperation of the public and the major casino gaming operators, the associated facilities allowed to resume operations including cinemas, theatres, indoor amusement parks, game centres, cybercafes, billiard rooms, health clubs, lounges, bars etc. and conglomerated commercial facilities to retails, food halls, kid zones as the integrated and leisure resort promoting the development of local tourism industry as well as the collaborative development with the Guangdong-Hong Kong-Macao Greater Bay Area (the “**GBA**”) so to build an international tourism, and to link with the major strategic opportunity brought by “Belt and Road” of the PRC and the construction of the GBA. The Group believes there is still much room and potential for future development in the economy of Macau and the temporary shock will not affect the mid-and long-term development of Macau.

The Group intends to enhance and diversify its business involving the design assist to the major customers and the sourcing of back-up fitting-out materials to maintain its cutting edge in the business.

To expand the Group’s business scope and overall revenue stream, the Group plans to diversify into lithium resources, lithium battery technology and smart car garage business.

## FINANCIAL REVIEW

For the six months ended 30 June 2020 and 2021, total revenue amounted to approximately MOP137.0 million and MOP179.6 million, of which revenue generated from providing fitting-out services constituted approximately 99.7% and 99.6% of total revenue, respectively. The remaining approximately 0.4% of the total revenue for the six months ended 30 June 2021 was derived from the Group’s repair and maintenance services.

For the six months ended 30 June 2021, the Group recorded profit for the period of approximately MOP13.1 million (30 June 2020: approximately MOP14.5 million). During the six months ended 30 June 2021, the Group completed 16 fitting-out projects and was awarded 25 fitting-out projects, all of which are based in Macau.

## Revenue

Revenue increased by approximately MOP42.6 million or 31.1% from approximately MOP137.0 million for the six months ended 30 June 2020 to approximately MOP179.6 million for the six months ended 30 June 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Direct costs

The total amount of subcontracting fees, materials costs and direct labour costs increased by approximately MOP40.5 million or 38.3% from approximately MOP105.7 million for the six months ended 30 June 2020 to approximately MOP146.2 million for the six months ended 30 June 2021, which generally reflected the increase in costs associated with the increase in revenue.

## Gross profit and gross profit margin

The gross profit increased by approximately MOP2.2 million from approximately MOP31.2 million for the six months ended 30 June 2020 to approximately MOP33.4 million for the six months ended 30 June 2021. The Group recorded gross profit margin of approximately 22.8% and 18.6% for the six months ended 30 June 2020 and the six months ended 30 June 2021, respectively. The period-to-period decrease in gross profit margin was mainly attributable to the comparatively lower gross profit margin of successful bidder on projects undertaken by the Group during the six months ended 30 June 2021 compared to the six months ended 30 June 2020.

## Other income and losses

Other income has decreased from approximately MOP1.3 million for the six months ended 30 June 2020 to approximately MOP0.2 million for the six months ended 30 June 2021, such decrease was mainly attributable to the government grant for COVID-19 amounted to approximately MOP1.2 million in 2020.

Other losses remained largely insignificant at approximately MOP61,000 and MOP452,000 for the six months ended 30 June 2020 and 2021, respectively.

## Administrative expenses

Administrative expenses amounted to approximately MOP14.4 million and MOP15.9 million for the six months ended 30 June 2020 and 2021, respectively, which accounted for approximately 10.5% and 8.9% of the total revenue during the respective periods. The largest item under administrative expenses was administrative staff costs, which amounted to approximately MOP8.4 million and MOP9.7 million for the six months ended 30 June 2020 and 2021, respectively, which accounted for approximately 58.3% and 61.0% of the total administrative expenses during the respective periods.

# MANAGEMENT DISCUSSION AND ANALYSIS

Increase in administrative expenses was also mainly attributable to the increase in administrative staff costs by approximately MOP1.3 million from approximately MOP8.4 million for the six months ended 30 June 2020 to approximately MOP9.7 million for the six months ended 30 June 2021. The increase was mainly attributable to the increase in administrative work.

The remaining balance of administrative expenses mainly consisted of rental expenses, office expenses, depreciation and general expenses.

## Finance costs

For the six months ended 30 June 2020 and 2021, finance costs amounted to approximately MOP717,000 and MOP2.1 million, respectively. Finance costs increased by approximately MOP1.4 million, which was primarily due to an increase in our average outstanding bank borrowings during the six months ended 30 June 2021.

## Income tax expenses

For the six months ended 30 June 2020 and 2021, the Group recorded income tax expenses of approximately MOP2.8 million and MOP2.1 million, representing an effective tax rate of approximately 16.3% and 13.8%, respectively.

Income tax decreased by approximately MOP0.7 million from approximately MOP2.8 million for the six months ended 30 June 2020 to approximately MOP2.1 million for the six months ended 30 June 2021. Such decrease was mainly attributable to the decrease in the profit before taxation from approximately MOP17.3 million for the six months ended 30 June 2020 to approximately MOP15.1 million for six months ended 30 June 2021.

## Profit for the period

The profit for the six months ended 30 June 2021 amounted to approximately MOP13.1 million, compared to approximately MOP14.5 million for the six months ended 30 June 2020, representing a decrease of approximately MOP1.4 million or 9.7%. Such decrease was mainly due to the combined effect of the aforementioned items.



# MANAGEMENT DISCUSSION AND ANALYSIS

## CORPORATE FINANCE AND RISK MANAGEMENT

### Liquidity, Financial and Capital Resources

#### *Cash position*

As at 30 June 2021, the pledged bank deposits and bank and cash equivalents balance of the Group amounted to approximately MOP52.0 million in aggregate (31 December 2020: approximately MOP87.8 million), representing a decrease of approximately 40.8% as compared to that as at 31 December 2020. As at 30 June 2021, pledged bank deposits of approximately MOP33.1 million (31 December 2020: MOP33.0 million) are pledged to secure banking facilities of the Group (including bank loans and overdraft).

#### *Borrowings and charges on the Group's assets*

As at 30 June 2021, the Group had bank borrowings and bank overdrafts of approximately MOP83.7 million (31 December 2020: approximately MOP84.1 million). The bank borrowings are repayable within one year.

As at 30 June 2021, bank borrowings and other bank facilities including performance guarantee by the Group were secured by: (i) the pledged bank deposits of MOP33.1 million (31 December 2020: approximately MOP33.0 million); and (ii) a corporate guarantee by the Company.

#### *Gearing ratio*

As at 30 June 2021, the gearing ratio (calculated by dividing total debts which include payables incurred not in the ordinary course of business excluding amounts are due to related parties with total equity as at the end of the respective period) was approximately 26.2% (31 December 2020: approximately 27.5%).

Such decrease was primarily attributable to the decrease in total debts of the Group from approximately MOP84.1 million as at 31 December 2020 to approximately MOP83.7 million as at 30 June 2021, while total equity of the Group was approximately MOP306.2 million and MOP319.1 million as at 31 December 2020 and 30 June 2021, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ***Treasury policies***

The Group has adopted a prudent treasury management policy to (i) manage the Group's funds ensuring that there is no material shortfall in cash which may cause interruption to the Group's obligations arising from daily business needs; (ii) maintain sufficient level of funds to settle the Group's commitment as and when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flow, project expenditures and administrative expenses; and (iv) maintain the relevant financing costs at a reasonable level.

## ***Currency risk***

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through sales proceeds received from customers that are denominated in a currency other than the group entities' functional currency. The currencies giving rise to this risk are primarily HK\$.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## ***Capital structure***

The Shares were listed on the Main Board of the Stock Exchange on 23 April 2019. There has been no change in the capital structure of the Company since that date. The capital of the Company comprises ordinary shares and other reserves.

## ***Capital commitments***

As at 30 June 2021, the Group had no capital commitments (31 December 2020: Nil).

## ***Contingent liabilities***

As at 30 June 2021, the Group had no significant contingent liabilities or outstanding litigation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ***Material acquisitions and disposals of subsidiaries and associated companies***

During the six months ended 30 June 2021, the Group did not have any material acquisition and disposals of subsidiaries and affiliated companies.

## ***Significant investments held***

As at 30 June 2021, the Group had no significant investments.

## ***Future plans for material investments***

Save as disclosed above, the Group did not have any future plan for material investments as at 30 June 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2021, the Group had 108 employees (30 June 2020: 108). Total staff costs (including Directors' emoluments) were approximately MOP24.0 million for the six months ended 30 June 2021, as compared to approximately MOP21.7 million for the six months ended 30 June 2020. Such increase was mainly attributable to the increase in average number of working days for day-work workers.

The remuneration packages the Group offer to employees include salary and discretionary bonuses. In general, the Group determine employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotions. The Group also operates the Share Option Scheme (as defined hereafter), pursuant to which options to subscribe for Shares may be granted to the Directors and employees of the Group. The Group will also various training to its employees and sponsor its employees to attend various training courses, such as those on occupational health and safety in relation to its work. Such training courses include its internal training as well as courses by external parties.

# MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEEDS FROM SHARE OFFER

The Shares of the Company were listed on the Main Board of the Stock Exchange on 23 April 2019 (the “**Listing Date**”) with net proceeds received by the Company from the Share Offer in the amount of approximately HK\$141.2 million after deducting underwriting commissions and all related expenses. From the Listing Date to 30 June 2021, the net proceeds had been fully utilised as follows:

	<b>Net proceeds from the Share Offer</b> HK\$ million	<b>Utilised during the period from the Listing Date to 30 June 2021</b> HK\$ million
Upfront costs	82.2	82.2
Acquiring performance bonds	31.1	31.1
Strengthening manpower	13.8	13.8
General working capital	14.1	14.1
Total	141.2	141.2

## EVENTS AFTER THE REPORTING DATE

Save as disclosed above, no significant event took place subsequent to 30 June 2021.

## INTERIM DIVIDEND

The Board takes into account the Group’s overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any interim dividend in respect of the six months ended 30 June 2021.

# OTHER INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### The Company

Name of Director	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Li Kam Hung (“ <b>Mr. Li</b> ”)	Interest in a controlled corporation <sup>(2)</sup>	337,500,000 Shares (L)	67.5%

Notes:

- (1) The letter “L” denotes the Director’s long position in the Shares.
- (2) The Company was held as to approximately 67.5% by Copious Astute Limited (“**Copious Astute**”). Copious Astute is held as to 100% by Mr. Li.

# OTHER INFORMATION

## Associated corporation

Name of Director	Name of associated corporation	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Approximate percentage of the total issued Shares
Mr. Li	Copious Astute	Beneficial owner	1 share (L)	100%

Note:

(1) The letter “L” denotes the Director’s long position in the Shares.

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executive of the Company had any interest or short position 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) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEME

On 18 March 2019, a share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Shareholders, under which, options may be granted to any eligible persons (as defined in the Share Option Scheme) to subscribe for Shares subject to the terms and conditions stipulated in the Share Option Scheme. The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees.

Subject to the terms of the Share Option Scheme, the Board may, at its discretion, invite any “Eligible Persons” to take up option(s) (“**Option(s)**”) to subscribe for Shares granted pursuant to the Share Option Scheme at a price calculated as discussed below. Upon acceptance of the Option, the Eligible Person shall pay HK\$1.00 to the Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted. “Eligible Persons” means any full-time or part-time employee of the Company or any member of the Group, including any executive Directors, non-executive Directors and independent non-executive Directors, suppliers, customers, agents, advisors and consultants of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group.

## OTHER INFORMATION

Any grant of Options must not be made after inside information has come to our knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Directors may not grant any Option to an Eligible Person who is our Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by the Shareholders in accordance with the Listing Rules.

The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share.

The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 50,000,000 Shares, which represents 10% of the Shares in issue as at the date of this report (the "**Scheme Mandate Limit**") provided that the Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

## OTHER INFORMATION

Subject to the approval of Shareholders in general meeting, the Company may refresh the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to our Shareholders containing our information required by the Listing Rules.

Subject to the approval of Shareholders in general meeting, the Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by the Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph, the Company shall send a circular to its Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the Listing Rules.

Notwithstanding the foregoing, the Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeds 30% of the Shares in issue from time to time.

The Share Option Scheme will be valid and effective for a period of 10 years commencing on 23 April 2019 and remains in force until 22 April 2029, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.



## OTHER INFORMATION

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the administration of the Board whose decision as to all matters arising from or in relation to the Share Option Scheme as its interpretation or effect shall be final and binding on all parties to the Share Option Scheme.

No share option has been granted by the Company under the Share Option Scheme since its adoption up to 30 June 2021. As at 31 December 2020 and 30 June 2021, there were no outstanding Options under the Share Option Scheme.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

According to the register kept by the Company under Section 336 of the SFO and information available to the Directors, the corporations or persons (other than a Director or chief executive of the Company) had interests of 5% or more in the Shares or underlying Shares as at 30 June 2021 which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares held/ interested <sup>(1)</sup>	Total interests <sup>(1)</sup>	Approximate percentage of the total issued Shares
Copious Astute Limited	Beneficial owner <sup>(2)</sup>	337,500,000 Shares (L)	337,500,000 Shares (L)	67.5%
Ms. Ng Suk Fun	Interest of spouse <sup>(3)</sup>	337,500,000 Shares (L)	337,500,000 Shares (L)	67.5%
Fresh Phoenix Limited	Beneficial owner <sup>(4)</sup>	39,885,000 Shares (L)	39,885,000 Shares (L)	8.0%
Mr. Leong Lap Kun ("Mr. Leong")	Interest of controlled corporation <sup>(4)(5)</sup>	39,940,000 Shares (L)	39,940,000 Shares (L)	8.0%
Mr. Hung Sai Yeung	Beneficial owner <sup>(6)</sup>	30,000 Shares (L)	25,715,000 Shares (L)	5.1%
	Interest of controlled corporation <sup>(6)</sup>	22,512,500 Shares (L)		
	Interest of spouse <sup>(6)</sup>	3,172,500 Shares (L)		
Ms. Yiu Li Ngor	Beneficial owner <sup>(7)</sup>	3,172,500 Shares (L)	25,715,000 Shares (L)	5.1%
	Interest of spouse <sup>(7)</sup>	22,542,500 Shares (L)		

## OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the entity/person’s long position in the Shares.
- (2) Our Company is owned as to 67.5% by Copious Astute Limited, which is in turn wholly owned by Mr. Li. Under the SFO, Mr. Li is deemed to be interested in all the Shares which are registered in the name of Copious Astute Limited.
- (3) Ms. Ng Suk Fun is the spouse of Mr. Li. Under the SFO, Ms. Ng Suk Fun is deemed to be interested in the same number of Shares in which Mr. Li is interested.
- (4) Our Company is owned as to approximately 8.0% by Fresh Phoenix Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Fresh Phoenix Limited.
- (5) Our Company is owned as to approximately 0.01% by Shining Holding Limited, which is in turn wholly owned by Mr. Leong. Under the SFO, Mr. Leong is deemed to be interested in all the Shares which are registered in the name of Shining Holding Limited.
- (6) Based on the information as set out in the disclosure of interest filed by the subject Shareholder dated 3 September 2020, Mr. Hung Sai Yeung (“**Mr. Hung**”) was deemed to be interested in 25,715,000 Shares, of which (i) 30,000 Shares were held by himself; (ii) 22,512,500 Shares were registered in the name of Greenfield Resources Group Limited (“**Greenfield Resources**”), a corporation controlled as to 50% by Mr. Hung; and (iii) 3,172,500 Shares were held by his spouse, Ms. Yiu Li Ngor, as at 26 June 2020.
- (7) Based on the information as set out in the disclosure of interest filed by the subject Shareholder dated 3 September 2020, Ms. Yiu Li Ngor (“**Ms. Yiu**”) was deemed to be interested in 25,715,000 Shares, of which (i) 3,172,500 Shares were held by herself; (ii) 22,512,500 Shares were held by Greenfield Resources (a corporation controlled as to 50% by her spouse, Mr. Hung); and (iii) 30,000 Shares were held by Mr. Hung, as at 26 June 2020.

Save as disclosed above, as at 30 June 2021, no other person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares, underlying Shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

## OTHER INFORMATION

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

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the Reporting Period.

### CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions and, where applicable, the recommended best practices set out in the Corporate Governance Code ("**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company complies with the CG Code set out in Appendix 14 to the Listing Rules with the exception for Code Provision A.2.1, which requires the roles of chairman and chief executive be different individuals. Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Li Kam Hung currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of nine Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

# OTHER INFORMATION

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

## DIVIDEND

The Board takes into account the Group’s overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividend in respect of the six months ended 30 June 2021.

## AUDIT COMMITTEE

The audit committee of the Company, comprising three independent non-executive Directors, namely Ms. Rita Botelho dos Santos, Mr. Lam Chi Wing and Mr. Wu Chou Kit, has reviewed with the management the unaudited interim results for the six months ended 30 June 2021, accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information.

On behalf of the Board

**Li Kam Hung**

*Chairman*

Hong Kong, 31 August 2021

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

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 MOP'000 (Unaudited)	2020 MOP'000 (Unaudited)
Revenue	2	179,620	136,972
Direct costs		(146,173)	(105,748)
Gross profit		33,447	31,224
Other income		170	1,264
Other losses		(452)	(61)
Administrative expenses		(15,874)	(14,383)
Finance costs		(2,138)	(717)
Profit before taxation	3	15,153	17,327
Income tax expense	4	(2,087)	(2,825)
Profit for the period attributable to owners of the Company		13,066	14,502
Other comprehensive (expense) income Item that may be subsequently reclassified to profit and loss:			
Exchange differences arising on translation of foreign operation		(126)	(172)
Profit and total comprehensive income for the period attributable to owners of the Company		12,940	14,330
Earnings per share			
Basic (MOP cents)	5	0.03	0.03

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 MOP'000 (Unaudited)	31 December 2020 MOP'000 (Audited)
Non-current assets			
Property and equipment		2,585	2,832
Right-of-use assets		4,017	787
Deposits		292	317
		<b>6,894</b>	<b>3,936</b>
Current assets			
Trade receivables	6	121,638	165,517
Other receivables, deposits and prepayments	7	152,969	96,970
Contract assets		148,950	144,740
Amounts due from related parties		23	23
Pledged bank deposits	8	33,071	33,012
Bank balances and cash	8	18,903	54,744
		<b>475,554</b>	<b>495,006</b>
Current liabilities			
Trade and other payables and accruals	9	48,740	84,985
Contract liabilities		2,020	174
Tax payable		24,810	22,705
Bank borrowings		69,947	70,375
Bank overdrafts		13,772	13,702
Lease liabilities		2,343	672
		<b>161,632</b>	<b>192,613</b>
Net current assets		<b>313,922</b>	<b>302,393</b>
Total assets less current liabilities		<b>320,816</b>	<b>306,329</b>
Non-current liabilities			
Lease liabilities		1,674	128
Net assets		<b>319,142</b>	<b>306,201</b>
Capital and reserves			
Share capital		5,150	5,150
Reserves		313,992	301,051
Total equity		<b>319,142</b>	<b>306,201</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company							Total MOP'000
	Share capital MOP'000	Share premium MOP'000	Legal reserve MOP'000	Other reserve MOP'000	Statutory surplus reserve MOP'000	Translation reserve MOP'000	Accumulated profits MOP'000	
Changes in equity for the six months ended 30 June 2020								
At 1 January 2020	5,150	256,527	500	(75,121)	143	(302)	73,554	260,451
Profit for the period	-	-	-	-	-	-	14,502	14,502
Other comprehensive income for the period	-	-	-	-	-	(172)	-	(172)
Total profit and other comprehensive income for the period	-	-	-	-	-	(172)	14,502	14,330
At 30 June 2020 and 1 July 2020	5,150	256,527	500	(75,121)	143	(474)	88,056	274,781

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company							
	Share capital MOP'000	Share premium MOP'000	Legal reserve MOP'000	Other reserve MOP'000	Statutory surplus reserve MOP'000	Translation reserve MOP'000	Accumulated profits MOP'000	Total MOP'000
Changes in equity for the six months ended 31 December 2020								
Profit for the period	-	-	-	-	-	-	31,226	31,226
Other comprehensive expense for the period	-	-	-	-	-	194	-	194
Total profit and other comprehensive (expense) income for the period	-	-	-	-	-	194	31,226	31,420
At 31 December 2020 and 1 January 2021	5,150	256,527	500	(75,121)	143	(280)	119,282	306,201
Changes in equity for the six months ended 30 June 2021								
Profit for the period	-	-	-	-	-	-	13,067	13,067
Other comprehensive expense for the period	-	-	-	-	-	(126)	-	(126)
Total profit and other comprehensive (expense) income for the period	-	-	-	-	-	(126)	12,067	12,940
At 30 June 2021	5,150	256,527	500	(75,121)	143	(406)	132,349	319,142



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>MOP'000</b>	MOP'000
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
NET CASH USED IN OPERATING ACTIVITIES	<b>(33,342)</b>	(16,021)
INVESTING ACTIVITIES		
Other cash flow used in investing activities	<b>71</b>	(1,913)
NET CASH USED IN INVESTING ACTIVITIES	<b>71</b>	(1,913)
FINANCING ACTIVITIES		
New bank borrowings raised	–	16,262
Repayment of bank borrowings	<b>(357)</b>	–
Other cash flow arising from financing activities	<b>(2,087)</b>	(526)
NET CASH FROM FINANCING ACTIVITIES	<b>(2,444)</b>	15,736
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<b>(35,715)</b>	(2,198)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<b>54,744</b>	29,314
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	<b>(126)</b>	(172)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash	<b>18,903</b>	26,944

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. BASIS OF PREPARATION

The Company was incorporated as an exempted company in the Cayman Islands on 9 April 2018. The address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is Unit 13, 24th Floor, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong.

The principal activity of the Company is investment holding. The Group's principal activities are providing fitting-out services and repair and maintenance services in Macau.

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 31 August 2021.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 1 (later part of this note).

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 1. BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The accounting policies, basis of presentation and methods of computation used in preparing the interim financial report are consistent with those followed in preparing the Groups' annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2021 as set out below.

The following new or amended HKFRSs and HKASs are adopted for the financial year beginning 1 January 2021, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods.

Amendments 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 Group has not early adopted any other new or amended HKFRSs and HKASs that are not yet effective for the current accounting period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 2. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of fitting-out and repair and maintenance service by the Group to external customers. The Group's revenue is mainly derived from provision of fitting-out services and repair and maintenance services in Macau.

### Revenue

#### *Timing of revenue recognition and category of revenue*

	Six months ended 30 June	
	2021	2020
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Recognised over time and short-term contracts:		
– provision of fitting-out services	178,950	136,511
Recognised over time and long-term contracts:		
– provision of repair and maintenance services	670	461
	179,620	136,972

The customers of the Group are mainly hotel and casino operators in Macau. All of the Group's provision of fitting-out services and repair and maintenance services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

### Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment information (continued)

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

- (a) fitting-out services; and
- (b) repair and maintenance services.

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

### Segment revenue and results

Six months ended 30 June 2021 (Unaudited)

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	178,950	670	179,620
Segment results	33,252	195	33,447
Other income			170
Other losses			(452)
Administrative expenses			(15,874)
Finance costs			(2,138)
Profit before taxation			15,153

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

### Segment information (continued)

#### Segment revenue and results (continued)

Six months ended 30 June 2020 (Unaudited)

	Fitting-out services MOP'000	Repair and maintenance services MOP'000	Total MOP'000
Segment revenue	136,511	461	136,972
Segment results	31,085	139	31,224
Other income			1,264
Other losses			(61)
Administrative expenses			(14,383)
Finance costs			(717)
Profit before taxation			17,327

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results mainly represented profit earned by each segment, excluding other income, other losses, administrative expenses, finance costs, listing expenses and income tax expense.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 3. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2021	2020
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	567	550
Depreciation on right-of-use assets and depreciation on property and equipment	1,746	646

## 4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Current Tax:		
Macau Complementary Income Tax	2,081	2,772
PRC Enterprise Income Tax	6	53
	2,087	2,825

Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000 for both periods.

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 group entity is 25% for both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision of Hong Kong Profits Tax was made as the subsidiaries in Hong Kong incurred tax losses during both periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 5. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2021	2020
	MOP'000	MOP'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	13,066	14,502
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	500,000,000	500,000,000

No diluted earnings per share for both periods was presented as there were no potential ordinary shares in issue during both periods.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 6. TRADE RECEIVABLES

The Group grants credit terms of 30–90 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables presented based on the invoice date which is approximately one month after the related revenue being recognised, at the end of each reporting period is as follows:

	<b>30 June 2021 MOP'000 (Unaudited)</b>	31 December 2020 MOP'000 (Audited)
0–30 days	<b>38,528</b>	67,777
31–60 days	<b>19,662</b>	24,476
61–90 days	<b>22,285</b>	28,061
Over 90 days	<b>42,622</b>	46,479
	<b>123,097</b>	166,793
Less: Impairment loss allowance	<b>(1,459)</b>	(1,276)
	<b>121,638</b>	165,517

## 7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30 June 2021 MOP'000 (Unaudited)</b>	31 December 2020 MOP'000 (Audited)
Rental deposits	<b>549</b>	440
Deposits paid for tenders	<b>41,400</b>	46,535
Prepayments to subcontractors	<b>109,912</b>	49,690
Other receivables	<b>1,400</b>	622
Total	<b>153,261</b>	97,287
Presented as non-current assets	<b>292</b>	317
Presented as current assets	<b>152,969</b>	96,970
Total	<b>153,261</b>	97,287

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 8. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Pledged bank deposits as at 30 June 2021 are pledged to secure the bank borrowings of the Group which carry interest at prevailing market rate of 0.7% (31 December 2020: 0.01%) per annum.

As at 30 June 2021, bank balances and cash comprise of cash held and short term bank deposits with an original maturity of three months or less which carry interest at prevailing market rate of 0.01% (31 December 2020: 0.01%) per annum.

## 9. TRADE AND OTHER PAYABLES AND ACCRUALS

	<b>30 June 2021 MOP'000 (Unaudited)</b>	31 December 2020 MOP'000 (Audited)
Trade payables	10,284	12,168
Retention payables	18,184	20,648
Accruals for subcontracting costs (Note)	15,731	48,359
Accruals and other payables	4,541	3,810
	<b>48,740</b>	84,985

Note: Amounts represented subcontracting costs being incurred which are yet billed by the subcontractors.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

## 9. TRADE AND OTHER PAYABLES AND ACCRUALS (CONTINUED)

The credit period granted to the Group by subcontractors/suppliers normally being 0–30 days. The following is an ageing analysis of trade payables based on the invoice date at the end of each reporting period:

	<b>30 June 2021 MOP'000 (Unaudited)</b>	31 December 2020 MOP'000 (Audited)
0–30 days	7,800	4,132
30–60 days	2,456	–
61–90 days	28	–
Over 90 days	–	8,036
	<b>10,284</b>	12,168

Retention payables to subcontractors are interest-free and payable at the end of the defects liability period of individual contracts (i.e. one year after completion of respective prospect). All retention payables are expected to be settled within one year based on the expiry date of the defects liability period.

## 10. DIVIDENDS

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2021. No dividend was declared or paid by the Company during the six months ended 30 June 2020 to its equity shareholders.

## 11. REVIEW OF INTERIM FINANCIAL REPORT

The unaudited interim financial report for the six months ended 30 June 2021 has been reviewed by the Audit Committee with no disagreement.