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World Super Holdings Limited

維亮控股有限公司

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

*This announcement, for which the directors (the “**Directors**”) of World Super Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “**Board**”) of World Super Holdings Limited (the “**Company**”) is pleased to present the audited results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023, together with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 HK\$	2022 HK\$
Continuing operations			
Revenue	4	23,088,446	16,341,937
Cost of sales and services		<u>(19,486,560)</u>	<u>(11,260,602)</u>
Gross profit		3,601,886	5,081,335
Other income, gains or (losses)	5	(5,255,215)	(2,383,911)
Other operating expenses		(2,661,308)	(3,713,510)
Impairment losses on plant and equipment		(2,389,136)	(15,247,950)
Impairment losses under expected credit loss model, net of reversal		(10,268,644)	(153,600)
Loss on disposal of subsidiaries		–	(4,067,002)
Administrative expenses		(19,890,886)	(14,235,771)
Selling and distribution expenses		(1,233,428)	(1,492,790)
Finance costs		<u>(790,340)</u>	<u>(1,381,526)</u>
Loss before tax		(38,887,071)	(37,594,725)
Income tax credit	6	<u>2,160,031</u>	<u>4,366,035</u>
Loss for the year from continuing operations	7	(36,727,040)	(33,228,690)
Discontinued operation			
Loss for the year from discontinued operation		<u>–</u>	<u>(286,750)</u>
Loss for the year		<u>(36,727,040)</u>	<u>(33,515,440)</u>
Other comprehensive income (expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		–	270
Reclassification of cumulative exchange reserve upon disposal of a foreign operation		<u>–</u>	<u>(198)</u>
		<u>–</u>	<u>72</u>
Total comprehensive expenses for the year		<u>(36,727,040)</u>	<u>(33,515,368)</u>

	<i>Notes</i>	2023 HK\$	2022 <i>HK\$</i>
Loss for the year attributable to owners of the Company			
– from continuing operations		(36,727,040)	(33,228,690)
– from discontinued operation		–	(286,750)
		<u>(36,727,040)</u>	<u>(33,515,440)</u>
 Total comprehensive expenses attributable to owners of the Company			
– from continuing operations		(36,727,040)	(33,228,618)
– from discontinued operation		–	(286,750)
		<u>(36,727,040)</u>	<u>(33,515,368)</u>
 Loss per share (<i>HK cents per share</i>)			
From continuing and discontinued operations			
Basic	9	<u>(4.25)</u>	<u>(3.92)</u>
Diluted	9	<u>(4.25)</u>	<u>(3.92)</u>
 From continuing operations			
Basic	9	<u>(4.25)</u>	<u>(3.89)</u>
Diluted	9	<u>(4.25)</u>	<u>(3.89)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 HK\$	2022 HK\$
Non-current assets			
Plant and equipment		28,235,988	71,086,979
Right-of-use assets		909,888	443,691
		<u>29,145,876</u>	<u>71,530,670</u>
Current assets			
Inventories		253,139	992,467
Contract assets		262,459	–
Trade and other receivables	10	2,588,996	16,848,535
Loan receivables		5,718,751	–
Pledged bank deposits		1,514,257	2,923,146
Cash and cash equivalents		11,116,565	9,804,156
		<u>21,454,167</u>	<u>30,568,304</u>
Current liabilities			
Trade and other payables	11	5,094,974	2,812,841
Borrowings – due within one year		2,483,795	7,751,651
Lease liabilities			
– current portion		473,918	457,824
Obligations under finance leases			
– due within one year		2,417,395	10,155,452
Bank overdrafts		–	2,341,431
		<u>10,470,082</u>	<u>23,519,199</u>
Net current assets		<u>10,984,085</u>	<u>7,049,105</u>
Total assets less current liabilities		<u>40,129,961</u>	<u>78,579,775</u>

	2023	2022
<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Non-current liabilities		
Lease liabilities		
– non-current portion	437,257	–
Deferred tax liabilities	–	2,160,031
	<u>437,257</u>	<u>2,160,031</u>
Net assets	<u>39,692,704</u>	<u>76,419,744</u>
Capital and reserves		
Share capital	8,640,000	8,640,000
Reserves	31,052,704	67,779,744
	<u>39,692,704</u>	<u>76,419,744</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December 2023

	Issued capital HK\$	Share premium HK\$	Merger reserve HK\$ (Note (i))	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2022	8,200,000	107,323,795	5,499,999	(72)	(14,862,453)	106,161,269
Loss for the year	-	-	-	-	(33,515,440)	(33,515,440)
Other comprehensive income	-	-	-	72	-	72
Total comprehensive income (expenses) for the year	-	-	-	72	(33,515,440)	(33,515,368)
Issue of shares by share placing	440,000	3,520,000	-	-	-	3,960,000
Transaction costs directly attributable to issue of shares upon placing	-	(186,157)	-	-	-	(186,157)
At 31 December 2022 and 1 January 2023	8,640,000	110,657,638	5,499,999	-	(48,377,893)	76,419,744
Total comprehensive income (expenses) for the year	-	-	-	-	(36,727,040)	(36,727,040)
At 31 December 2023	8,640,000	110,657,638	5,499,999	-	(85,104,933)	39,692,704

Note:

- (i) Merger reserve represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the issued share capital of World Super Limited, a subsidiary which was acquired by the Company pursuant to the Group Reorganisation (as defined in the prospectus of the Company dated 27 June 2019).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

The Company was incorporated 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 26 February 2016. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 July 2019 (the “**Share Offer**”). The Company’s registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Company’s principal place of business is located at Unit 3403, 34/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries including (i) provision of rental services of crawler cranes, oscillators, a kind of bored piling machine working with drill-string to drill through the hard rock to the designated depth (the “**RCD**”) and hydromill trench cutters for construction projects mainly in Hong Kong and/or Macau; (ii) trading of new or used crawler cranes, RCDs, trench cutters, oscillators and/or related spare parts to customers in Hong Kong and Macau; and (iii) to a lesser extent, provision of transportation services in delivering our machinery to and from customers’ designated sites and other services such as arrangement of set-up and repair of machinery for customers of our plant hire service, arrangement of insurance for customers of our plant hire service for projects outside Hong Kong and marketing of construction machinery for our machinery suppliers; (iv) provision of construction works which included foundation works and ancillary services; and (v) provision of money lending services.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated financial statements also comply with the applicable disclosure requirements of the Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost convention.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

Amendments to HKSA 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts

Change in accounting policy

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 Classification of liabilities as current or non-current	1 January 2024
Amendments to HKAS 1 Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16 – Lease Liability in a sales and leaseback	1 January 2024
Revised of Hong Kong Interpretation 5 (revised) presentation of financial statements-classification by borrower of a term loan that contains a repayment on demand clause (“ HK Int 5 (Revised) ”)	1 January 2024
Amendments to HKAS 7 and HKFRS 7 Supplier finance arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 Sale or contribution of assets between an investor and its associate or joint venture	To be determined by the HKICPA

The management of the Group anticipates that the application of these new and amendments to HKFRSs will have no material impact on the Group’s consolidated financial statements in the foreseeable future.

4. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the net amounts received or receivable for machinery leased, goods sold and services provided in the normal course of business, net of discounts and returns.

An analysis of the Group's revenue from continuing operations are as follows:

	Year ended 31 December	
	2023	2022
	HK\$	HK\$
Plant hire income	9,910,419	15,979,747
Income from money lending business	420,000	–
General sales from trading of machinery, tools and parts	3,981,456	35,500
Construction services income (<i>Note</i>)	7,964,271	–
Transportation and other services income	812,300	326,690
	<u>23,088,446</u>	<u>16,341,937</u>

The Group determines its operating segments based on these business activities, that are regularly reviewed by the chief operating decision makers, i.e. the executive directors of the Company, for the purpose of resources allocation and performance assessment.

Note: The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for construction services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for construction services that had an original expected duration of one year or less.

Segment revenue and results

For the year ended 31 December 2023

	Plant hire income <i>HK\$</i>	Money lending business <i>HK\$</i>	General sales from trading of machinery, tools and part <i>HK\$</i>	Construction services <i>HK\$</i>	Transportation and other services income <i>HK\$</i>	Total <i>HK\$</i>
Revenue						
Segment revenue from external customers	<u>9,910,419</u>	<u>420,000</u>	<u>3,981,456</u>	<u>7,964,271</u>	<u>812,300</u>	<u>23,088,446</u>
Revenue recognition						
At a point in time under HKFRS 15	-	-	3,981,456	-	812,300	4,793,756
Over time under HKFRS 15	-	-	-	7,964,271	-	7,964,271
Under HKFRS 16	9,910,419	-	-	-	-	9,910,419
Other source – loan interest income	-	420,000	-	-	-	420,000
	<u>9,910,419</u>	<u>420,000</u>	<u>3,981,456</u>	<u>7,964,271</u>	<u>812,300</u>	<u>23,088,446</u>
Results						
Segment results	<u>(9,633,897)</u>	<u>338,751</u>	<u>441,863</u>	<u>(1,504,075)</u>	<u>68,771</u>	<u>(10,288,587)</u>
Loss on disposal of plant and equipment						(5,518,083)
Other unallocated income						262,868
Other unallocated expenses						<u>(23,343,269)</u>
Loss before tax						<u><u>(38,887,071)</u></u>

For the year ended 31 December 2022

	Continuing operations			Discontinued operation	Total HK\$
	Plant hire income HK\$	General sales from trading of machinery, tools and part HK\$	Transportation and other services income HK\$	General sales from trading of electronic and household products HK\$	
Revenue					
Segment revenue from external customers	<u>15,979,747</u>	<u>35,500</u>	<u>326,690</u>	<u>59,194</u>	<u>16,401,131</u>
Revenue recognition					
At a point in time under HKFRS 15	–	35,500	326,690	59,194	421,384
Under HKFRS 16	<u>15,979,747</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>15,979,747</u>
	<u>15,979,747</u>	<u>35,500</u>	<u>326,690</u>	<u>59,194</u>	<u>16,401,131</u>
Results					
Segment results	<u>(14,166,907)</u>	<u>13,685</u>	<u>119,892</u>	<u>6,375</u>	<u>(14,026,955)</u>
Loss on disposal of subsidiaries					(4,067,002)
Loss on disposal of plant and equipment					(2,390,080)
Other unallocated income					6,160
Other unallocated expenses					<u>(17,403,598)</u>
Loss before tax					<u>(37,881,475)</u>

The unallocated expenses including administration staff costs, selling and distributions expenses, finance cost and other expenses which cannot be allocated to each segment.

Segment assets and liabilities

For the year ended 31 December 2023

	Plant hire income general sales from trading of machinery, tools and parts, and transportation and other services income <i>HK\$</i>	Money lending business <i>HK\$</i>	Construction services <i>HK\$</i>	Consolidated <i>HK\$</i>
Assets				
Segment assets	26,366,105	9,937,509	9,257,696	45,561,310
Unallocated corporate assets				5,038,733
Consolidated total assets				<u>50,600,043</u>
Liabilities				
Segment liabilities	(7,001,878)	(61,500)	(1,228,576)	(8,291,954)
Unallocated corporate liabilities				(2,615,385)
Consolidated total liabilities				<u>(10,907,339)</u>

For the year ended 31 December 2022

	Plant hire income general sales from trading of machinery, tools and parts, and transportation and other services income <i>HK\$</i>	Consolidated <i>HK\$</i>
Assets		
Segment assets	86,082,229	86,082,229
Unallocated corporate assets		16,016,745
Consolidated total assets		<u>102,098,974</u>
Liabilities		
Segment liabilities	(24,599,932)	(24,599,932)
Unallocated corporate liabilities		(1,079,298)
Consolidated total liabilities		<u>(25,679,230)</u>

Other segment information

For the year ended 31 December 2023

	Plant hire income HK\$	Money lending business HK\$	General sales from trading of machinery, tools and parts HK\$	Construction services HK\$	Transportation and other services income HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment results:							
Depreciation on plant and equipment	4,645,448	5,035	-	871,385	-	200,541	5,722,409
Depreciation on right-of-use assets	-	-	-	-	-	459,345	459,345
Loss on disposal of plant and equipment	-	-	-	-	-	5,518,083	5,518,083
Impairment losses on plant and equipment	2,389,136	-	-	-	-	-	2,389,136
Allowance for ECL	6,867,779	81,249	-	19,616	-	3,300,000	10,268,644

For the year ended 31 December 2022

	Continuing operations			Discontinued operation		Unallocated	Total
	Plant hire income HK\$	General sales from trading of machinery, tools and parts HK\$	Transportation and other services income HK\$	General sales from trading of electronic and household products HK\$		HK\$	HK\$
Amounts included in the measure of segment results:							
Depreciation on plant and equipment	7,689,813	-	-	982	553,690	-	8,244,485
Depreciation on right-of-use assets	-	-	-	-	507,076	-	507,076
Loss on disposal of plant and equipment	-	-	-	-	2,390,080	-	2,390,080
Loss on disposal of subsidiaries	-	-	-	-	4,067,002	-	4,067,002
Impairment losses on plant and equipment	15,247,950	-	-	-	-	-	15,247,950
Allowance for ECL	153,600	-	-	-	-	-	153,600

Geographical information

The Group's revenue from continuing operations from customers by location of operation and information about its non-current assets by location of assets are detailed below:

Revenue	Year ended 31 December	
	2023 HK\$	2022 HK\$
Hong Kong	23,088,446	6,851,661
Macau	–	9,490,276
	<u>23,088,446</u>	<u>16,341,937</u>

Non-current assets	As at 31 December	
	2023 HK\$	2022 HK\$
Hong Kong	<u>29,145,876</u>	<u>71,530,670</u>

Information about major customers

Revenue from customers during the years ended 31 December 2023 and 2022 contributing over 10% of the total revenue of the Group is as follows:

	Year ended 31 December	
	2023 HK\$	2022 HK\$
Customer A	6,183,398	–
Customer B	5,302,941	–
Customer C	2,661,330	–
Customer D	2,650,000	–
Customer E*	–	13,121,788
	<u>–</u>	<u>13,121,788</u>

* This customer did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2023.

5. OTHER INCOME, GAINS OR (LOSSES)

	Year ended 31 December	
	2023 HK\$	2022 HK\$
Continuing operations:		
Bank interest income	40,495	4,917
Loss on disposal of plant and equipment	(5,518,083)	(2,390,080)
Net exchange gain	–	1,252
Others	<u>222,373</u>	<u>–</u>
	<u>(5,255,215)</u>	<u>(2,383,911)</u>

6. INCOME TAX CREDIT

	Year ended 31 December	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Continuing operations:		
Current tax		
Hong Kong Profits Tax	–	–
Deferred taxation	<u>(2,160,031)</u>	<u>(4,366,035)</u>
	<u>(2,160,031)</u>	<u>(4,366,035)</u>

Hong Kong Profit Tax is calculated at 16.5% on the estimated assessable profit for both years.

7. LOSS FOR THE YEAR

	Year ended 31 December	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Loss for the year from continuing operations has been arrived at after charging (crediting):		
Directors' emoluments and allowances	<u>3,485,016</u>	<u>2,753,466</u>
Staff costs		
– Salaries, allowances and other benefits	7,164,023	7,318,304
– Bonus	285,200	366,600
– Government grants under Employment Support Scheme	–	(348,000)
– Retirement benefits scheme contributions	<u>354,354</u>	<u>344,198</u>
	<u>7,803,577</u>	<u>7,681,102</u>
Total staff costs	<u>11,288,593</u>	<u>10,434,568</u>
Auditor's remuneration	1,300,000	500,000
Cost of general sales on machinery, tools and parts	3,539,593	21,815
Depreciation of plant and equipment		
– owned assets	4,501,467	6,718,242
– assets held under finance leases	1,220,942	1,525,261
Depreciation of right-of-use asset	459,345	507,076
Loss on disposal of plant and equipment	5,518,083	2,390,080
Short-term operating lease rentals in respect of rented premises	2,601,068	1,172,000
Allowance for ECL, net of reversal	10,268,644	153,600
Impairment losses on plant and equipment	<u>2,389,136</u>	<u>15,247,950</u>

8. DIVIDENDS

(a) Dividends payable to the owners of the Company attributable to the year

The board of directors do not recommend the payment of any dividend for the year (2022: Nil).

(b) Dividends payable to the owners of the Company attributable to previous financial year, approved and paid during the year

The directors have resolved not to recommend the declaration of any final dividend for the years ended 31 December 2023 and 2022.

9. LOSS PER SHARE

From continuing operations

	Year ended 31 December	
	2023	2022
	HK\$	HK\$
Loss for the year from continuing operations attributable to owners of the Company for the purposes of calculating basic and diluted loss per share	<u>(36,727,040)</u>	<u>(33,228,690)</u>

Number of shares

	Year ended 31 December	
	2023	2022
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>864,000,000</u>	<u>854,476,712</u>

The weighted average number of ordinary shares for the purpose of basic loss per share has taken into account for the share placing on 21 March 2022.

The Company did not have any potential ordinary shares outstanding during the year ended 31 December 2023 (2022: Nil). Diluted loss per share is equal to basic loss per share.

10. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables:

	As at 31 December	
	2023	2022
	HK\$	HK\$
Trade receivables		
– contracts with customers	607,557	843,588
– under HKFRS 16 leases	8,438,842	16,217,919
	<u>9,046,399</u>	<u>17,061,507</u>
Less: Allowance for ECL of trade receivables	(7,432,108)	(7,425,395)
Trade receivables (net)	<u>1,614,291</u>	<u>9,636,112</u>
Interest receivables from money lending business	60,000	–
Less: Allowance for ECL of interest receivables	<u>–</u>	<u>–</u>
Interest receivables (net)	<u>60,000</u>	<u>–</u>
Other receivables	3,300,000	6,300,000
Less: Allowance for ECL of other receivables	(3,300,000)	–
Other receivables (net)	<u>–</u>	<u>6,300,000</u>
Rental and utilities deposits paid	398,055	400,265
Prepayments	516,650	512,158
	<u>2,588,996</u>	<u>16,848,535</u>

The Group allows a credit period of 0–60 days to its customers. Before accepting any new customer, the Group makes enquiries to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.

The following is an ageing analysis of trade receivable (net of allowance for ECL) presented based on the invoice date:

	As at 31 December	
	2023	2022
	HK\$	HK\$
Within 30 days	423,468	566,476
31 to 60 days	27,051	254,649
61 to 90 days	321,237	300,391
91 to 120 days	232,976	–
121 to 365 days	609,559	8,514,596
	<u>1,614,291</u>	<u>9,636,112</u>

Allowance for ECL, net of reversal amounting to HK\$6,884,707 has been recognised for the year (2022: HK\$153,600).

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 365 days	Over 1 year	Total
At 31 December 2023							
Expected credit loss rate (%)	4.18%	1.14%	5.27%	8.72%	10.97%	100%	
Gross carrying amount – trade receivables (HK\$)	<u>441,928</u>	<u>27,363</u>	<u>339,119</u>	<u>255,244</u>	<u>684,702</u>	<u>7,298,043</u>	<u>9,046,399</u>
Allowance for ECL on trade receivables (HK\$)	<u>18,460</u>	<u>312</u>	<u>17,882</u>	<u>22,268</u>	<u>75,143</u>	<u>7,298,043</u>	<u>7,432,108</u>
At 31 December 2022							
Expected credit loss rate (%)	0.12%	5.69%	5.70%	–	5.68%	100%	
Gross carrying amount – trade receivables (HK\$)	<u>567,176</u>	<u>270,000</u>	<u>318,540</u>	<u>–</u>	<u>9,027,796</u>	<u>6,877,995</u>	<u>17,061,507</u>
Allowance for ECL on trade receivables (HK\$)	<u>700</u>	<u>15,351</u>	<u>18,149</u>	<u>–</u>	<u>513,200</u>	<u>6,877,995</u>	<u>7,425,395</u>

The movements in the allowance for ECL of trade receivables:

	2023	2022
	HK\$	HK\$
At 1 January	7,425,395	16,764,745
Disposal of a subsidiary	–	(9,492,950)
Written off	(6,877,994)	–
Allowance for ECL recognised during the year	<u>6,884,707</u>	<u>153,600</u>
At 31 December	<u>7,432,108</u>	<u>7,425,395</u>

11. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables:

	As at 31 December	
	2023	2022
	HK\$	HK\$
Trade payables	1,055,213	529,941
Contract liabilities (<i>Note (i)</i>)	15,484	15,484
Accrued expenses	4,014,277	2,257,416
Deposits and temporary receipts	10,000	10,000
	<u>5,094,974</u>	<u>2,812,841</u>

Note:

- (i) The contract liabilities primarily relate to the deposits or payments received in advance from customer for general sales from trading of machinery, tools and parts.

Payment terms granted by suppliers are 0–30 days from the invoice date of the relevant purchases. The Group has liquidity risk management in place to ensure that all payables are settled within the credit timeframe.

The following is an ageing analysis of trade payables presented based on the invoice date:

	As at 31 December	
	2023	2022
	HK\$	HK\$
Within 30 days	301,943	70,479
31 to 60 days	8,021	64,395
61 to 90 days	44,955	93,600
Over 90 days	700,294	301,467
	<u>1,055,213</u>	<u>529,941</u>

12. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel (including the Directors of the Company) are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel's remuneration is as follows:

	Year ended 31 December	
	2023	2022
	HK\$	HK\$
Basic salaries, allowances and other benefits	4,770,600	3,077,246
Discretionary bonus	155,500	166,000
Retirement benefits scheme contributions	189,000	192,000
	<u>5,115,100</u>	<u>3,435,246</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

After three years of the pandemic, as economic activities returned to normal, the global recovery faced obstacles such as high commodity prices and inflation, disruptions in supply chains, escalating geopolitical tensions, and aggressive tightening of monetary policy in developed economies. These factors have also contributed to financial sector difficulties. Projections indicate a decline in global growth from 3.5% in 2022 to 3.0% in 2023 and 2024. Given the current economic uncertainty, the Group anticipates a challenging outlook for the upcoming financial year. We will adopt a cautious approach in managing our business operations and financial resources while maximizing our potential to secure new orders during this difficult period.

Looking forward, the Directors consider that the future opportunities and challenges which the Group face will be affected by uncertainty to construction industry due to the availability of construction projects from the public and private sectors in Hong Kong. Our Group stays positive about the prospect of the construction market and will continue to focus on our core business.

FINANCIAL REVIEW

Revenue

The Group's revenue represents the net amounts received or receivable for machinery leased, goods sold and services provided in the normal course of business, net of discounts and returns.

An analysis of the Group's revenue from continuing operations are as follows:

	Year ended 31 December	
	2023 HK\$	2022 HK\$
Plant hire income	9,910,419	15,979,747
Income from money lending business	420,000	–
General sales from trading of machinery, tools and parts	3,981,456	35,500
Construction services income	7,964,271	–
Transportation and other services income	812,300	326,690
	<u>23,088,446</u>	<u>16,341,937</u>

The Group's revenue includes (i) plant hire income from leasing of construction machinery, general sales from trading of construction machinery, tools and parts, transportation and other services income; (ii) construction services income; and (iii) interest income from money leading business.

The Group's revenue increased from approximately HK\$16.3 million for the year ended 31 December 2022 to approximately HK\$23.1 million for the year ended 31 December 2023, representing an increase of approximately 41.7% which mainly due to the increase of income generated from the segments of construction services and money lending business.

Other income, gains or (losses)

	Year ended 31 December	
	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Continuing operations:		
Bank interest income	40,495	4,917
Loss on disposal of plant and equipment	(5,518,083)	(2,390,080)
Net exchange gain	–	1,252
Others	222,373	–
	<u>(5,255,215)</u>	<u>(2,383,911)</u>

Cost of sales and services

Cost of sales and services mainly include product purchases, machinery rent paid, depreciation on plant and machinery, wages and subcontracting costs. For the year ended 31 December 2023, the Group's cost of sales and services amounted to approximately HK\$19.5 million (2022: approximately HK\$11.3 million). The increase in cost of sales and services was mainly due to the increase in subcontracting costs incurred by the construction services segment.

Gross profit and gross profit margin

The gross profit and gross profit margin of the Group were approximately HK\$3.6 million and approximately 15.6% for the year ended 31 December 2023, respectively.

Other income, gains or (losses)

Other income, gains or (losses) mainly represent the loss on disposal of plant and equipment, bank interest income, net exchange gain and others. The Group's other income, gains or (losses) increased to approximately HK\$5.3 million for the year ended 31 December 2023 from approximately HK\$2.4 million for the year ended 31 December 2022, which was mainly due to the increase in the loss on disposal of plant and equipment to approximately HK\$5.5 million for the year ended 31 December 2023 from approximately HK\$2.4 million for the year ended 31 December 2022.

Finance costs

Finance costs of the Group amounted to approximately HK\$0.8 million for the year ended 31 December 2023 (2022: approximately HK\$1.4 million). The decrease in finance costs was mainly due to the decrease in the Group's bank borrowing and obligation under finance lease.

Administrative expenses

Administrative expenses mainly include staff costs, short term operating lease rental in respects of rental premises, and professional service fees. For the year ended 31 December 2023, the Group's administrative expenses amounted to approximately HK\$19.9 million (2022: approximately HK\$14.2 million). The increase is mainly due to the increase in the staff cost and short term operating lease rental.

Taxation

The Group's income tax credit decreased to approximately HK\$2.2 million for the year ended 31 December 2023 from approximately HK\$4.4 million for the year ended 31 December 2022. The change was mainly because of the decrease in the timing difference in relation to the accelerated depreciation during the year ended 31 December 2023.

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

Loss for the Year

The Group's loss for the year increased from approximately HK\$33.2 million for the year ended 31 December 2022 to approximately HK\$36.7 million for the year ended 31 December 2023, which was mainly due to the net effect of increase of loss on disposal of plant and equipment, increase in impairment losses under expected credit loss model and administrative expenses, being partially compensated by the decrease of impairment loss on plant and equipment.

Discontinued operations

With effect from 18 March 2022, the financial results of general sales from trading of electronic and household products segment was classified as the discontinued operation because the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Yummy Network.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, internally generated cash flow and proceeds received from the placing of the Company's shares.

As at 31 December 2023, the Group had bank balances and cash of approximately HK\$11.1 million (2022: approximately HK\$9.8 million) and pledged bank deposits of approximately HK\$1.5 million (2022: approximately HK\$2.9 million). The balance of bank balance and cash remains the same level.

The interest-bearing loans of the Group as at 31 December 2023 was approximately HK\$4.9 million (2022: approximately HK\$20.7 million).

The scheduled repayment date of the Group's bank borrowings and obligation under finance lease amounting to approximately HK\$4.9 million (2022: HK\$17.9 million), as set out in the loan agreements and without considering the effect of any repayment on demand clauses were as follows:

	2023	2022
	<i>HK\$</i>	<i>HK\$</i>
Within 1 year	2,483,795	10,334,148
Between 1 and 2 years	1,795,025	5,811,474
Between 2 and 5 years	622,370	1,761,481
	<hr/>	<hr/>
Between 2 and 5 years	4,901,190	17,907,103
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2023 and 2022, the Group did not have any convertible bonds.

The gearing ratio is calculated based on the amount of total interest bearing loans divided by total equity. The gearing ratio of the Group as at 31 December 2023 was approximately 14.6% (2022: approximately 27.1%).

The capital structure of the Company comprises of equity interest attributable to the owners of the Company (including issued share capital and reserves). The Directors regularly review the capital structure of the Company. As part of the review, the Directors consider the cost of capital and the associated risks of various types of capital.

Trade receivable turnover days

The trade receivable decrease from approximately HK\$9.6 million for the year ended 31 December 2022 to approximately HK\$1.6 million for the year ended 31 December 2023, and the trade receivable turnover days decreased from approximately 388.6 days for the year ended 31 December 2022 to approximately 143.0 days for the year ended 31 December 2023. Our accounting and human resource department would monitor the trade receivable on a monthly basis and assess whether any bad debt should be provided based on the monthly trade receivable ageing report, which would be reviewed by our Directors. When overdue amount is located, our commercial and administrative department would contact customers for settlement.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2023, there was no significant investment held by the Group.

PLEDGE OF ASSETS

The Group's plant and machinery with net carrying amounts of approximately HK\$14.1 million and HK\$25.7 million as at 31 December 2023 and 2022, respectively, were pledged under finance leases and bank borrowings.

As at 31 December 2023, the Group has pledged bank deposit of approximately HK\$1.5 million (2022: approximately HK\$2.9 million) to secure the bank facilities granted to the Group. Save for the above disclosed, the Group did not have any charges on its assets.

FOREIGN EXCHANGE RISK AND TREASURY POLICY

The Group mainly operates in Hong Kong and Macau and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and United States dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the period.

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitment can meet its funding requirements.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The operating lease commitment of the Group was related to the lease of its office and warehouses.

The Group had no significant capital commitments as at 31 December 2023 (2022: Nil).

As at 31 December 2023, the Group did not have any material contingent liability (2022: Nil).

SEGMENTAL INFORMATION

Segmental information for the Group is presented as disclosed in Note 4 in this announcement.

COMPETING INTERESTS

During the year of 2023, none of the Directors, controlling shareholders or substantial shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) have been engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group nor have they been aware of any other conflicts of interest which any such person has or may have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the year of 2023 and as at the latest practicable date prior to the issue of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group employed 15 full-time employees (not including our Directors) and 2 part-time employees (2022: 13 full-time employees and 2 part-time employees). Our total staff cost (including directors emoluments, directors' quarters, wages, salaries and allowance, staff welfare and contributions to defined contribution retirement plan) for the years ended 31 December 2023 and 2022 amounted to approximately HK\$10.6 million and HK\$14.8 million respectively. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences. The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides internal training to our staff.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2023, the Group did not have other significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2023, the Group did not have other plans for material investments and capital assets.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2023 (2022: Nil).

USE OF PROCEEDS

The net proceeds from the issue of new shares of the Company, after deduction of underwriting fees and other expenses payable by the Company in connection with (i) the 2021 Placement, were approximately HK\$14.6 million and (ii) the 2022 Placement, were approximately HK\$3.8 million. The net proceeds from the 2021 Placement and 2022 Placement were fully utilised as at 31 December 2022. For details, please refer to the announcements of the Company dated 22 November 2021, 10 December 2021, 1 March 2022, 11 March 2022 and 21 March 2022.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. The Directors of the Company consider that the Company has adopted and complied with the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance and reviewing the Company’s compliance with the code provision in the CG Code, during the year ended 31 December 2023 and up to the date of this report except for the derivations as disclosed below.

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Sou Peng Kan Albert is currently the chairman of the Board and the CEO of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Group with strong and consistent leadership, allows for more effective planning and execution of long term business strategies and enhances efficiency in decision-making in response to the changing environment. Our Board believes that the balance of power and authority under this arrangement will not be impaired and is adequately ensured by the eight-member composition of our Board, including five executive Directors and three independent non-executive Directors. Further, the Audit Committee has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

In respect of code provision D.1.2 of the CG Code, the Company did not provide all members of the Board with monthly updates. However, the Company has based on business situation, provided to the Board from time to time, updated business information to enable the Board as a whole and each Director to discharge their duties. The Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are sufficient for the Board to discharge its duties. In the event if there are any significant updates, the Company will update all the Directors as early as practicable for discussion and resolution.

Under the Code Provision F.1.1, the Company should have a policy on payment of dividends and should disclose it in its annual report. The Company does not have a dividend policy and the Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Group's operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the "**Model Code**") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code for the year ended 31 December 2023.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, 24 June 2024.

AUDIT COMMITTEE

The Audit Committee was established on 21 June 2019 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Chim Tak Lai, Ms. Du Min and Ms. Chen Jie, Ms. Chen Jie (appointed on 31 August 2023) is the chairman of the Audit Committee.

The primary duties of our Audit Committee are (i) to review and monitor the independent and objective role of the external auditor to our Company; (ii) to make recommendations to our Board on the appointment and removal of the external auditor; (iii) to review the financial statement and material advice in respect of financial reporting process of our Group; (iv) oversee the risk management and internal control systems of our Group; and (v) to monitor any continuing connected transactions.

The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2023 and was satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

EVENT AFTER THE PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 31 December 2023.

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

During the year and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2023 and consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (www.worldsuperhk.com). The annual report of the Company for the year ended 31 December 2023 will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises of Mr. Sou Peng Kan Albert, Mr. Lau Lawrence Tak Sun, Mr. Lin Dongsheng, Mr. Zhang Wei and Ms. Chan Lok Yin as executive Directors; and Mr. Chim Tak Lai, Ms. Du Min and Ms. Chen Jie as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least of 7 days from the date of its publication and on the Company's website at www.worldsuperhk.com.