

YGM HOLDINGS LIMITED
洋姑媽有限公司

REPORTS AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF
INCORPORATION) TO 31 DECEMBER 2020**

K. C. CHAN, Certified Public Accountant (Practising)

YGM HOLDINGS LIMITED
洋姑媽有限公司
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION) TO
31 DECEMBER 2020

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YGM HOLDINGS LIMITED
洋姑媽有限公司
REPORT OF THE DIRECTORS

The directors have pleasure in submitting the first report together with the audited financial statements for the period from 10 October 2019 (Date of Incorporation) to 31 December 2020.

INCORPORATION

The Company was incorporated in Hong Kong under Hong Kong Companies Ordinance on 10 October 2019.

PRINCIPAL ACTIVITY

The Company was inactive during the period.

SHARE CAPITAL

Details of the movements in share capital during the year are set out in note 7 to the financial statements.

No equity-linked agreement that will or may result in the Company issuing share entered into by the Company subsisted at the end of the period or at any time during the period.

RESULTS AND FINANCIAL POSITION

The preparation of the financial statements the present fairly the financial position of the Company at 31 December 2019, and the results of its operations, cash flows and changes in equity for the period then ended, in accordance with international Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SMEs”).

The result of the Company for the period from 10 October 2019 (Date of Incorporation) to 31 December 2020 and the state of the Company's affairs at that date are set out in the financial statements on pages 6 to 13.

The directors do not recommend the payment of a dividend for the period. No transfer to or from reserve was made during the period.

YGM HOLDINGS LIMITED
洋姑媽有限公司
REPORT OF THE DIRECTOR (CONT'D)

DIRECTORS

The directors of the Company during the period and up to the date of this report were:

WU Wenjie	(Appointed on 10 October 2019)
GU Kai	(Appointed on 10 October 2019)
GUO Jia	(Appointed on 10 October 2019)

PERMITTED INDEMNITY PROVISIONS

At no time during the period and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company.

MANAGEMENT CONTRACTS

The Company has not entered into any contract whereby the management and administration of the whole or any substantial part of the Company's business have been undertaken by a party other than the Company's directors or employees.

AUDITOR

The financial statements have been audited by Mr. K. C. Chan, Certified Public Accountant (Practising) who retires and, being eligible, offers himself for re-appointment at the forthcoming annual general meeting.



WU Wenjie
Chairman

HONG KONG, 22 MAR 2021

K. C. CHAN

Certified Public Accountant (Practising)

Flat A, 18/F, 438 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong

Tel : 8207 3949 Fax : 2120 5539

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF

YGM HOLDINGS LIMITED

洋姑媽有限公司

(incorporated in Hong Kong with limited liability)

Opinion

I have audited the financial statements of YGM HOLDINGS LIMITED (“the Company”) set out on pages 6 to 13 which comprise the statement of financial position as at 31 December 2020, the income statement of changes in equity and statement of cashflows for the period from 10 October 2019 (Date of incorporation) to 31 December 2020, and notes to the financial statements, which include a summary of significant accounting policies.

In my opinion, the financial statements of the Company for the year ended 31 December 2020 are prepared, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (“IFRS for SMEs”).

Basis for Opinion

I have conducted my audit in accordance with (“IFRS for SMEs”). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the director's report and detailed income statement, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

K. C. CHAN

Certified Public Accountant (Practising)

Flat A, 18/F, 438 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong

Tel : 8207 3949 Fax : 2120 5539

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBER OF

YGM HOLDINGS LIMITED

洋姑媽有限公司

(incorporated in Hong Kong with limited liability)

Material Uncertainty Related to Going Concern

I draw attention to Note 2 in the financial statements which indicates that the Company incurred a net loss for the year ended 31 December 2020 of HK\$31,725 and, as of that date, the Company has net liabilities of HK\$21,725. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. I consider that appropriate estimates and disclosures have been made and our opinion is not modified in respect of this matter.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the International Financial Reporting Standard for Small and Mediumsized Entities ("IFRS for SMEs"), and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. This report is made solely to you, as a body, International Financial Reporting Standard for Small and Mediumsized Entities ("IFRS for SMEs"). I do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

K. C. CHAN

Certified Public Accountant (Practising)

Flat A, 18/F, 438 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong

Tel : 8207 3949 Fax : 2120 5539

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBER OF

YGM HOLDINGS LIMITED

洋姑媽有限公司

(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

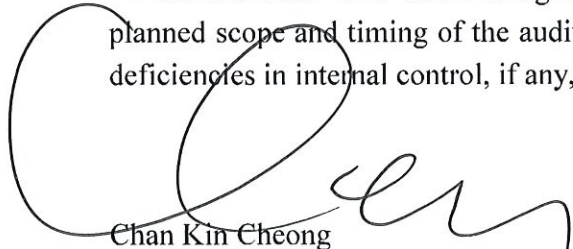
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, if any, that I identify during my audit.



Chan Kin Cheong
Certified Public Accountant (Practising)
HONG KONG, 22 MAR 2021

YGM HOLDINGS LIMITED
洋姑媽有限公司
INCOME STATEMENT
FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION)
TO 31 DECEMBER 2020

	Notes	HK\$
TURNOVER	3	-
OPERATING EXPENSES		<u>(31,725)</u>
LOSS BEFORE TAXATION	4	(31,725)
TAXATION	5	<u>-</u>
NET LOSS FOR THE PERIOD		<u><u>(31,725)</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

YGM HOLDINGS LIMITED
洋姑媽有限公司
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	HK\$
CURRENT ASSETS		
Amounts due from a director	6	<u>4,675</u>
CURRENT LIABILITIES		
Accruals		<u>26,400</u>
NET LIABILITIES		<u><u>(21,725)</u></u>
CAPITAL AND RESERVES		
Share capital	7	10,000
Retained losses		<u>(31,725)</u>
TOTAL DEFICIT		<u><u>(21,725)</u></u>

The financial statements on pages 6 to 13 were approved by the Board of Directors **22 MAR 2021**



WU Wenjie
Director



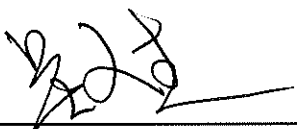
GU Kai
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

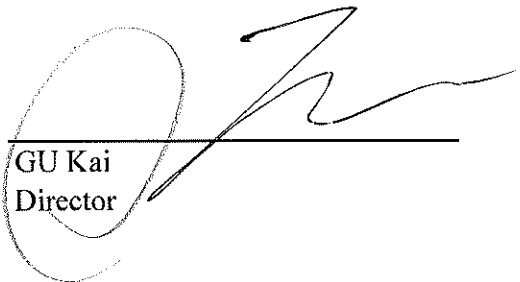
YGM HOLDINGS LIMITED
洋姑媽有限公司
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020

	Owner's capital HK\$	Retained losses HK\$	Total HK\$
Issue of shares	10,000		10,000
Net loss for the period		(31,725)	(31,725)
Balance at 31 December 2019	<u>10,000</u>	<u>(31,725)</u>	<u>(21,725)</u>

Approved for issue and signed on behalf of the Management Board on 31 December 2019.



 WU Wenjie
 Director



 GU Kai
 Director

YGM HOLDINGS LIMITED
洋姑媽有限公司
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2020

HK\$

Operating activities

Loss for the period	<u>(31,725)</u>
Decrease in amount due from a director	(4,675)
Increase in accruals	<u>26,400</u>
Net cash used in operations activities	<u>(10,000)</u>

Investing activity

Increase in share capital	<u>10,000</u>
Net cash generated from investing activities	<u>10,000</u>

Increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year	<u>-</u>
Cash and cash equivalents at end of the year	<u><u>-</u></u>

YGM HOLDINGS LIMITED

洋姑媽有限公司

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Hong Kong under Hong Kong Companies Ordinance on 10 October 2019. The address of its registered office is located at Room A, 12/F., Kiu Fu Commercial Building, 300 Lockhart Road, Wanchai, Hong Kong. The Company was inactive during the period.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (“IFRS for SMEs”) issued by the International Accounting Standards Board. The measurement basis used is the historical cost basis, except where otherwise stated in the accounting policies below.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Going concern basis

The Company incurred a net loss of HK\$31,725 for the year ended 31 December 2020 and as of that date, the Company had net liabilities of HK\$21,725. Notwithstanding the above results, the financial statements have been prepared on a going concern basis since the member has agreed to provide financial support to the Company.

(b) Taxation

Income tax expense represents current tax expenses. The income tax payable represents the amount expected to be paid to the taxation authority, using the tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

YGM HOLDINGS LIMITED

洋姑媽有限公司

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION) TO
31 DECEMBER 2020**

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(c) Accruals and other payables

Accruals and others payables are recognised initially at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

(d) Related parties

(i) A person or a close member of that person's family is related to the Company if that person:

- (a) has control or joint control over the Company;
- (b) has significant influence over the Company; or
- (c) is a member of the key management personnel of the Company or of a parent of the Company;

(ii) An entity is related to the Company if any of the following conditions applies:

- (a) the entity and the Company are members of the same group ;
- (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (c) the entity and the Company are joint ventures of the same third party;
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- (f) the entity is controlled or jointly controlled by a person identified in (i);
- (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); and
- (h) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

YGM HOLDINGS LIMITED

洋姑媽有限公司

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION) TO
31 DECEMBER 2020**

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3 TURNOVER

	HK\$
Income	<u><u>-</u></u>

4 LOSS BEFORE TAXATION

	HK\$
This has been arrived at after charging:	
Auditor's remuneration	<u><u>26,400</u></u>

5 TAXATION

No Hong Kong Profits Tax has been provided in the financial statements as no business activity was involved for production of loss.

6 AMOUNT DUE FROM THE DIRECTOR

<u>Director</u>	Balance at end of period HK\$	Maximum amount Outstanding during the period HK\$	Balance at beginning of period HK\$
WU Wenjie	<u><u>4,675</u></u>	<u><u>4,675</u></u>	<u><u>-</u></u>

The amount due from the director is interest-free, unsecured and repayable on demand.

YGM HOLDINGS LIMITED

洋姑媽有限公司

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

7 SHARE CAPITAL

HK\$

Issued and fully paid:

At 10 October 2019 (Date of incorporation)

100,000,000 ordinary shares

10,000

At 31 December 2020

100,000,000 ordinary shares

10,000

100,000,000 subscribed shares were allotted on incorporation date to raise working capital for the company.

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section of the International Financial Reporting Standard for Small and Mediumsized Entities ("IFRS for SMEs") are for the period are HK\$nil.

9 THE HOLDING COMPANY

At 31 December 2020, the directors consider that the Company's ultimate holding company is YGM poslovno svetovanje d.o.o., a company incorporated in Ljubljana.

YGM HOLDINGS LIMITED
洋姑媽有限公司
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 10 OCTOBER 2019 (DATE OF INCORPORATION)
TO 31 DECEMBER 2020
(For management purposes only)

	HKS
TURNOVER	-
LESS: OPERATING EXPENSES	
Annual return filing fee	105
Auditor's remuneration	26,400
Business registration fee	500
Incorporation fee	1,720
Secretarial fee	3,000
	<u>31,725</u>
LOSS BEFORE TAXATION	<u><u>(31,725)</u></u>

YGM HOLDINGS LIMITED
洋姑媽有限公司
PROFITS TAX COMPUTATION
YEAR OF ASSESSMENT 2020/21

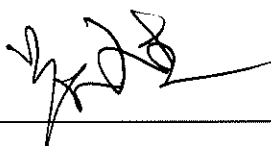
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Basis Period: Period from 10 October 2019 (Date of Incorporation) to 31 December 2020

	Schedule 1
	HK\$
Loss per accounts	(31,725)
Add : Incorporation fee	<u>1,720</u>
Adjusted loss	<u><u>Nil</u></u>

Note: In the absence of any income generated from production of profit chargeable to profit tax, all outgoing and expenses were disallowed.

Agreed by:



Director