

# K W Nelson

Interior Design and Contracting Group Limited  
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8411

Interim Report 2022

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This report, for which the directors (the “Directors”) of K W Nelson Interior Design and Contracting Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

## FINANCIAL HIGHLIGHTS

- During the six months ended 30 June 2022 (the “Period”), the Group’s revenue increased by approximately 12.8% to approximately HK\$35.5 million (six months ended 30 June 2021 (the “Previous Period”): HK\$31.4 million). The increase was mainly driven by the increase in revenue from design and decoration projects for elderly home and medical centre. The Group’s gross profit decreased to approximately HK\$7.1 million for the Period (Previous Period : HK\$8.3 million).
- The Group’s loss attributable to the owners was approximately HK\$2.2 million for the Period (Previous Period: profit of HK\$1.3 million).
- The board of directors declared an interim dividend of HK5.0 cents per share for the Period (Previous Period: Nil).

## UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS

The board of the Directors of the Company (the "Board") is pleased to present the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2022, together with the comparative unaudited figures for the corresponding period in 2021 as follows:

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Note	Three months ended 30 June		Six months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>14,504</b>	15,291	<b>35,461</b>	31,435
Cost of sales		<b>(13,255)</b>	(9,655)	<b>(28,340)</b>	(23,146)
<b>Gross profit</b>		<b>1,249</b>	5,636	<b>7,121</b>	8,289
Other income and gains	5	<b>235</b>	26	<b>257</b>	54
Administrative expenses		<b>(2,854)</b>	(3,926)	<b>(10,016)</b>	(6,243)
Reversal of/(provision for) impairment of trade receivables		<b>57</b>	(801)	<b>551</b>	(544)
<b>Operating (loss)/profit</b>		<b>(1,313)</b>	935	<b>(2,087)</b>	1,556
Finance costs	7	<b>(13)</b>	(14)	<b>(29)</b>	(24)
<b>(Loss)/profit before income tax</b>	6	<b>(1,326)</b>	921	<b>(2,116)</b>	1,532
Income tax expenses	8	<b>(90)</b>	(152)	<b>(119)</b>	(266)
<b>(Loss)/profit for the period attributable to the owners of the Company</b>		<b>(1,416)</b>	769	<b>(2,235)</b>	1,266
<b>(Loss)/earnings per share attributable to the owners of the Company (in HK cents)</b>					
Basic and diluted	9	<b>(0.15)</b>	0.08	<b>(0.23)</b>	0.13

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>(Loss)/profit for the period</b>	<b>(1,416)</b>	769	<b>(2,235)</b>	1,266
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference arising from translation of foreign operations	<b>(163)</b>	44	<b>(141)</b>	41
<i>Items that will not be reclassified to profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	<b>40</b>	9	<b>40</b>	(6)
Other comprehensive income/(loss) for the period, net of tax	<b>(123)</b>	53	<b>(101)</b>	35
<b>Total comprehensive (loss)/income for the period attributable to the owners of the Company</b>	<b>(1,539)</b>	822	<b>(2,336)</b>	1,301

The above interim condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	4,019	4,099
Right-of-use assets	12	956	635
Financial assets at fair value through other comprehensive income	15	125	85
		<b>5,100</b>	<b>4,819</b>
<b>Current assets</b>			
Trade and other receivables	13	8,965	19,646
Contract assets		1,634	215
Current income tax assets		4,423	4,423
Pledged bank deposits		2,000	2,000
Time deposits with original maturity over three months		38,605	38,561
Cash and cash equivalents		67,495	80,673
		<b>123,122</b>	<b>145,518</b>
<b>Total assets</b>		<b>128,222</b>	<b>150,337</b>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		10,000	10,000
Reserves		111,388	119,515
		<b>121,388</b>	<b>129,515</b>
Non-controlling interests		5	5
<b>Total equity</b>		<b>121,393</b>	<b>129,520</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		516	293
Deferred income tax liabilities		151	32
		<b>667</b>	<b>325</b>
<b>Current liabilities</b>			
Trade and other payables	14	5,701	7,103
Contract liabilities		–	13,029
Lease liabilities		461	360
		<b>6,162</b>	<b>20,492</b>
<b>Total liabilities</b>		<b>6,829</b>	<b>20,817</b>
<b>Total equity and liabilities</b>		<b>128,222</b>	<b>150,337</b>

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Unaudited Attributable to the owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Fair value reserve HK\$'000	Shares held for share award scheme HK\$'000	Merger reserve HK\$'000	Capital contribution reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
<b>For the six months ended 30 June 2021</b>											
Balance at 1 January 2021	10,000	33,728	(140)	(7,490)	-	(380)	5,000	101,313	142,031	-	142,031
Profit for the period	-	-	-	-	-	-	-	1,266	1,266	-	1,266
<b>Other comprehensive income</b>											
Exchange difference arising from translation of foreign operations	-	-	41	-	-	-	-	-	41	-	41
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(6)	-	-	-	-	(6)	-	(6)
<b>Total comprehensive income</b>	-	-	41	(6)	-	-	-	1,266	1,301	-	1,301
Shares purchased for share award scheme	-	-	-	-	(481)	-	-	-	(481)	-	(481)
<b>Balance at 30 June 2021</b>	<b>10,000</b>	<b>33,728</b>	<b>(99)</b>	<b>(7,496)</b>	<b>(481)</b>	<b>(380)</b>	<b>5,000</b>	<b>102,579</b>	<b>142,851</b>	<b>-</b>	<b>142,851</b>
<b>For the six months ended 30 June 2022</b>											
Balance at 1 January 2022	10,000	33,728	(33)	(7,508)	(4,439)	(380)	5,000	93,147	129,515	5	129,520
Loss for the period	-	-	-	-	-	-	-	(2,235)	(2,235)	-	(2,235)
<b>Other comprehensive income</b>											
Exchange difference arising from translation of foreign operations	-	-	(141)	-	-	-	-	-	(141)	-	(141)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	40	-	-	-	-	40	-	40
<b>Total comprehensive income</b>	-	-	(141)	40	-	-	-	(2,235)	(2,336)	-	(2,336)
Dividend	-	-	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Shares purchased for share award scheme	-	-	-	-	(2,791)	-	-	-	(2,791)	-	(2,791)
<b>Balance at 30 June 2022</b>	<b>10,000</b>	<b>33,728</b>	<b>(174)</b>	<b>(7,468)</b>	<b>(7,230)</b>	<b>(380)</b>	<b>5,000</b>	<b>87,912</b>	<b>121,388</b>	<b>5</b>	<b>121,393</b>

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended	
	30 June 2022 HK\$'000 (Unaudited)	30 June 2021 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	(6,510)	15,621
Hong Kong Profits Tax paid	–	–
<b>Net cash (used in)/generated from operating activities</b>	<b>(6,510)</b>	<b>15,621</b>
<b>Cash flows from investing activities</b>		
Decrease in time deposit with original maturity over three months	(44)	–
Interest received	65	50
Purchase of property, plant and equipment	(385)	(24)
<b>Net cash (used in)/generated from investing activities</b>	<b>(364)</b>	<b>26</b>
<b>Cash flows from financing activities</b>		
Principal elements of lease payments	(343)	(348)
Interest elements of lease payments	(29)	(24)
Purchase of shares under share award scheme	(2,791)	(481)
Dividend paid	(3,000)	–
<b>Net cash used in financing activities</b>	<b>(6,163)</b>	<b>(853)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,037)</b>	<b>14,794</b>
<b>Cash and cash equivalents at 1 January</b>	<b>80,673</b>	<b>113,650</b>
<b>Effect of foreign exchange rate changes</b>	<b>(141)</b>	<b>41</b>
<b>Cash and cash equivalents at 30 June</b>	<b>67,495</b>	<b>128,485</b>

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

## 1 GENERAL INFORMATION

K W Nelson Interior Design and Contracting Group Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961 as consolidated and revised) (now known as the Companies Act (2021 Revision)) of the Cayman Islands.

The Company's registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is Room 1703, 17th Floor, Technology Plaza, 651 King's Road, Quarry Bay, Hong Kong.

The Company is an investment holding company and together with its subsidiaries (collectively, the "Group") are principally engaged in provision of interior designs, project management services and fitting-out works.

The unaudited interim financial report is presented in thousands of Hong Kong Dollars ("HK\$'000"), unless otherwise stated.

## 2 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of 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").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report 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.

This interim financial report 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 2021 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 Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited but has been reviewed by the Company's audit committee.

The measurement basis used in the preparation of the unaudited interim financial report is the historical cost basis except for financial assets at fair value through other comprehensive income, which are carried at fair value.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4 REVENUE AND SEGMENT REPORTING

The Group's chief operating decision maker, which has been identified as the Board of Directors, consider the segment from a business perspective and monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

During the six months ended 30 June 2022, the Group had one (2021: one) reportable operating segment, which was provision of interior designs, project management services and fitting-out works. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

#### Geographic Information

##### (a) Revenue from external customers

The Group's revenue from external customers by geographical area, which is determined by the country/region where the services were provided, is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong	14,504	15,134	35,461	31,278
The PRC and Macau	–	157	–	157
	<b>14,504</b>	15,291	<b>35,461</b>	31,435

##### (b) Non-current assets

The Group's non-current assets other than financial assets at fair value through other comprehensive income and deferred income tax assets by geographic area is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Hong Kong	4,972	4,731
The PRC and Macau	3	3
	<b>4,975</b>	4,734

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 5 OTHER INCOME AND GAINS

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government grant (note)	192	–	192	–
Interest income	43	22	65	50
Sundry income	–	4	–	4
	<b>235</b>	26	<b>257</b>	54

Note: In 2022, the Group successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by The Government of the Hong Kong Special Administrative Region. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

### 6 (LOSS)/PROFIT BEFORE INCOME TAX

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Material and subcontractor costs	12,731	8,903	27,281	21,137
Auditor's remuneration				
— Audit services	–	–	–	–
— Non-audit services	–	–	–	–
Depreciation of property, plant and equipment	235	57	465	259
Depreciation of right-of-use assets	173	173	346	345
Employee benefit costs (including directors' emoluments)	1,684	1,583	7,366	3,671
Insurance expenses	164	161	360	344
Legal and professional fees	778	1,614	1,533	2,072
Marketing and advertising expenses	15	313	48	336
Motor vehicle expenses	71	289	167	360
Travelling expenses	52	16	150	32
Others	524	472	958	833
Total cost of sales and administrative expense	<b>16,427</b>	13,581	<b>38,674</b>	29,389

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 7 FINANCE COSTS

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest expense on lease liabilities	13	14	29	24

### 8 INCOME TAX

Hong Kong Profits Tax has been provided at the two-tiered rate of 8.25% for the first HK\$2,000,000 of the estimated assessable profit of the qualifying group entity and 16.5% on the remaining estimated assessable profit of the Group for the six months ended 30 June 2022 and 2021.

No PRC Corporate Income Tax provision was made as the PRC subsidiary has sustained a loss for taxation purpose for the six months ended 30 June 2022 (2021: same).

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax	–	34	–	101
Deferred tax	90	118	119	165
	90	152	119	266

There were no material unrecognised deferred tax assets and liabilities as at 30 June 2022 (31 December 2021: Nil).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 9 (LOSS)/EARNINGS PER SHARE

#### (a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period excluding shares purchased by the Company for the share award scheme.

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to the owners of the Company (HK\$'000)	(1,416)	769	(2,235)	1,266
Weighted average number of ordinary shares in issue (thousand shares)	964,802	999,650	967,637	999,824
Basic (loss)/earnings per share (HK cents)	(0.15)	0.08	(0.23)	0.13

#### (b) Diluted

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2022 and 2021.

### 10 DIVIDEND

The Board declared an interim dividend of HK5.0 cents per share for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

### 11 PROPERTY, PLANT AND EQUIPMENT

	HK\$'000 (Unaudited)
<b>As at 1 January 2022</b>	<b>4,099</b>
<b>Additions</b>	<b>385</b>
<b>Depreciation</b>	<b>(465)</b>
<b>As at 30 June 2022</b>	<b>4,019</b>
As at 1 January 2021	802
Additions	24
Depreciation	(259)
As at 30 June 2021	567

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 12 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2022, there was addition to right-of-use assets of approximately HK\$667,000 in relation to office premises (2021: HK\$721,000).

### 13 TRADE AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Trade receivables	10,495	15,026
Less: provision for loss allowance	(2,254)	(2,806)
Trade receivables, net of loss allowance	8,241	12,220
Prepayments	572	7,102
Deposits and other receivables	152	324
	<b>8,965</b>	19,646

As at 30 June 2022, the amount of deposits, prepayments and other receivables expected to be recovered or recognised as expense after more than one year is HK\$97,000 (31 December 2021: HK\$43,000). All of the remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

Trade receivables are generally due within 7 days from the date of billing. Negotiated on a case-by-case basis, the credit terms granted to certain customers could be up to three months. The ageing analysis of trade receivables based on the invoice date is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Within 30 days	922	3,392
31 to 60 days	1,419	1,698
61 to 90 days	713	27
Over 90 days	5,187	7,103
	<b>8,241</b>	12,220

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 14 TRADE AND OTHER PAYABLES

	<b>30 June 2022 HK\$'000 (Unaudited)</b>	31 December 2021 HK\$'000 (Audited)
Trade payables	<b>5,324</b>	3,141
Other payables and accruals	<b>377</b>	3,962
	<b>5,701</b>	7,103

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The ageing analysis of trade payables based on the invoice date is as follows:

	<b>30 June 2022 HK\$'000 (Unaudited)</b>	31 December 2021 HK\$'000 (Audited)
1 to 30 days	<b>1,112</b>	376
31 to 90 days	<b>1,054</b>	517
Over 90 days	<b>3,158</b>	2,248
	<b>5,324</b>	3,141

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 15 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2022 and 31 December 2021.

	Level 1	
	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Financial assets at fair value through other comprehensive income		
— Listed equity securities	125	85

There was no transfer of financial assets and liabilities between the fair value hierarchy classifications during the six months ended 30 June 2022 (2021: same).

The carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values. The fair value for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 16 CONTINGENT LIABILITY

The Group had no material contingent liabilities as at 30 June 2022 and 31 December 2021.

### 17 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Names and relationships with related parties

The directors of the Company are of the view that the following parties/companies were related parties with transactions or balances with the Group during the six months ended 30 June 2022 and 2021:

Name of related party	Relationship with the Group
Mr. Lau King Wai	Director and the controlling shareholder of the Company
Ms. Chan Pui Shan, Jessica	Personal Assistant to Chief Executive Officer and spouse of the controlling shareholder
Further Concept Limited	Controlled by the controlling shareholder

#### (b) Transactions and balance with related parties

Other than those disclosed below and elsewhere in the interim financial report, the Group had no significant transactions or balances with related parties during the six months ended 30 June 2022 (2021: same).

	Amount due to a related party		Related interest expense			
			Three months ended		Six months ended	
	30 June 2022	31 December 2021	30 June		30 June	
	HK\$'000	HK\$'000	2022	2021	2022	2021
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Lease liabilities due to a related company						
— Further Concept Limited	563	—	8	2	16	5

During the six months ended 30 June 2022, repayment of principal and interest portion of lease liabilities to the related party was HK\$120,000 (2021: HK\$120,000).

The above-mentioned transactions were conducted in the normal course of business and was charged at terms mutually agreed by the relevant parties.

The related party transactions in respect of rental expenses above constitutes continuing connected transaction as defined in Chapter 20 of the GEM Listing Rules. However, these transactions are exempt from the disclosure requirements in Chapter 20 of the GEM Listing Rules as they are below the de minimis threshold under Rule 20.74(1).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2022

### 17 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (c) Key management personnel remuneration

Remuneration for key management personnel of the Group is the amounts paid to the Directors as set out below:

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Emoluments, salaries and other benefits	755	495	5,510	905
Contributions to defined contribution retirement plan	12	12	27	25
	<b>767</b>	<b>507</b>	<b>5,537</b>	<b>930</b>

#### (d) Remuneration of the spouse of the controlling shareholder

	Three months ended 30 June		Six months ended 30 June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Salaries and other benefits	150	92	300	255
Contributions to defined contribution retirement plan	4	3	9	7
	<b>154</b>	<b>95</b>	<b>309</b>	<b>262</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is an interior decorator based in Hong Kong, focusing on commercial premises including office and retail space mainly located in Hong Kong. Our services include provision of interior design proposals by our in-house designers, engaging subcontractors to carry out fitting-out works and coordinating, managing and supervising the fitting-out works by our project managers.

The Group's projects can be broadly categorised into (i) design & decoration projects in which the Group is responsible for the tailor-made interior design proposals, project management and fitting-out works; (ii) decoration projects in which the Group is responsible for project management and fitting-out works; and (iii) other interior design and fitting-out services.

During the six months ended 30 June 2022 (the "Period"), the Group's revenue increased by approximately 12.8% to approximately HK\$35.5 million (six months ended 30 June 2021 (the "Previous Period"): HK\$31.4 million). The increase was mainly driven by the increase in revenue from design and decoration projects for elderly home and medical centre. The Group's gross profit decreased to approximately HK\$7.1 million for the Period (Previous Period: HK\$8.3 million).

The Group's loss attributable to the owners decreased to approximately HK\$2.2 million for the Period (Previous Period: profit of HK\$1.3 million).

### OUTLOOK

During the Period, the Group completed/awarded certain projects of elderly home and offices premises. The unexpected outbreak of COVID-19 since 2020 has brought unprecedented impact to the economy, the Group's business has been disrupted. The prolonged adverse effect on economy of Hong Kong brought by the COVID-19, in which certain project owners and/or customers have suffered tight cashflow, leading to postponement and/or slowdown in certain projects. In view of the outbreak of COVID-19, the Group implemented certain precautionary measures to maintain a hygienic working environment include sanitising our workplace regularly and requiring our staff and subcontractors to wear face masks in workplaces and construction sites.

Despite having business contingency plans in place by the Group, the Group will continue to closely monitor our business and operations in connection with the potential impacts of the COVID-19 outbreak. If such outbreak continues, we may be required to take additional measures to minimise its potential impacts on our business and operations.

Looking forward, the Group is optimistic with the prospects of the interior design and decoration market, especially on commercial premises and medical centres. In view of the increasing public awareness in health issues and ageing population in Hong Kong, the Group believes more health centres, medical clinics and health-related facilities will be established to meet the health care demand. The Group will continue to benefit from the increasing demand on design and decoration projects. The Group will also enhance its responsiveness to market trends so as to strengthen its position in the current market and continue its business expansion plan. In order to maximise the long term returns of our shareholders, the Group will continue to devote more resources to further develop its interior design and decoration by undertaking more sizeable projects and to explore new business opportunities through leveraging its experience in the industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

The Group's revenue is principally generated from (i) design & decoration projects; (ii) decoration projects; and (iii) other interior design and fitting-out services. During the Period, the Group's revenue decreased to approximately HK\$35.5 million (Previous Period: HK\$31.4 million).

The following table sets forth a breakdown of the Group's revenue and number of projects by project types and geographical locations for the six months ended 30 June 2022 and 2021:

Project types and locations	Six months ended 30 June					
	2022			2021		
	No. of projects	HK\$'000 (Unaudited)	%	No. of projects	HK\$'000 (Unaudited)	%
<b>Design &amp; decoration</b>						
Hong Kong	7	34,158	96.3	8	26,958	85.7
	<b>7</b>	<b>34,158</b>	<b>96.3</b>	8	26,958	85.7
<b>Decoration</b>						
Hong Kong	1	221	0.6	2	3,919	12.5
	<b>1</b>	<b>221</b>	<b>0.6</b>	2	3,919	12.5
<b>Others</b>						
Hong Kong		1,082	3.1		401	1.3
The PRC		–	–		157	0.5
		<b>1,082</b>	<b>3.1</b>		558	1.8
Total	<b>8</b>	<b>35,461</b>	<b>100</b>	10	31,435	100.0

The increase in revenue of design and decoration projects from approximately HK\$27.0 million for the Previous Period to approximately HK\$34.2 million for the Period was mainly due to increase in revenue derived from projects of elderly home and medical centre by approximately HK\$14.2 million and approximately HK\$3.5 million respectively, which partially offset by decrease in revenue derived from office premises by approximately HK\$10.3 million.

The decrease in revenue of decoration projects by approximately HK\$3.7 million during the Period was principally attributed to decrease in revenue derived from office premises by HK\$3.6 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Cost of sales and Gross Profit Margin

The Group's cost of sales mainly comprised subcontracting costs, direct staff costs, material purchase costs and insurance costs.

The following table sets forth the breakdown of the Group's gross profit margin by project types for the six months ended 30 June 2022 and 2021:

Project types	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Design & decoration	20.7%	26.0%
Decoration	22.6%	26.8%
Others	0.3%	40.0%
<b>Overall</b>	<b>20.1%</b>	<b>26.4%</b>

The Group's overall gross profit margin decreased from approximately 26.4% for the Previous Period to approximately 20.1% for the Period, mainly due to the lower gross profit margin for design and decoration projects of the elderly home for the purpose of expanding the Group's client portfolio.

### General and Administrative Expenses

The Group's general and administrative expenses mainly consisted of (i) staff costs; (ii) legal and professional fee; (iii) depreciation; and (iv) other administrative expenses.

General and administrative expenses increased from approximately HK\$6.2 million for the Previous Period to approximately HK\$10.0 million for the Period, which was mainly due to increase in discretionary bonus for staff and directors by approximately HK\$3.4 million.

### Income Tax Expenses

Income tax expenses of the Group for the Period was approximately HK\$119,000 (Previous Period: HK\$266,000). The income tax expense for the Period was mainly attributed by the recognition of deferred tax liabilities in relation to accelerated tax depreciation on property, plant and equipment and loss allowance of trade receivables.

### (Loss)/profit for the period

As a result of the foregoing, the Group recorded a loss of approximately HK\$2.2 million for the Period (Previous Period: profit of HK\$1.3 million).

### Dividend

As a reward to the Shareholders for their continuous support, the Board declared an interim dividend of HK5.0 cents per share in cash for the Period (Previous Period: Nil). The register of members of the Company will be closed from Monday, 15 August 2022 to Wednesday, 17 August 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 August 2022. The expected date of payment of the interim dividend is Wednesday, 31 August 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Provision of loss allowance for trade receivables**

The Group recognised loss allowances for trade receivables based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions.

As at 30 June 2022, loss allowance of approximately HK\$2.3 million (31 December 2021: HK\$2.8 million) was recognised with respect to the Group's trade receivables of which HK\$0.4 million (31 December 2021: HK\$0.4 million) were related to trade receivables due from customers with known financial difficulties or significant doubt on collection that are individually assessed to be fully impaired.

### **LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE**

During the Period, the Group financed its operations by its internal resources. As at 30 June 2022, the Group had net current assets of approximately HK\$117.0 million (31 December 2021: HK\$125.0 million), including cash and cash equivalents balances of approximately HK\$67.5 million (31 December 2021: HK\$80.7 million) mainly denominated in Hong Kong dollars. As at 30 June 2022, the Group had an unutilised banking facility of HK\$2.0 million (31 December 2021: HK\$2.0 million) which was secured by pledged bank deposits.

The current ratio, being the ratio of current assets to current liabilities, was approximately 20.0 times as at 30 June 2022 (31 December 2021: 7.1 times).

As at 30 June 2022, the Group had no outstanding borrowings (31 December 2021: nil) as the Group was not in need of any material debt financing during the Period, and hence no gearing ratio was presented. The gearing ratio is calculated as total debt divided by total equity as at the respective period end.

There has been no material change in capital structure of the Company since the date of listing. The capital of the Company comprise solely ordinary shares. The equity attributable to the owners of the Company amounted to approximately HK\$121.4 million as at 30 June 2022 (31 December 2021: HK\$129.5 million).

### **PLEDGE OF ASSETS**

As at 30 June 2022, bank deposits of HK\$2.0 million (31 December 2021: HK\$2.0 million) were pledged to secure the banking facilities. Save for the above, the Group did not have any charges on its assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY

The majority of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the Period, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Period.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. 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 other commitments can meet its funding requirements from time to time.

### CAPITAL COMMITMENTS

As at 30 June 2022 and 31 December 2021, the Group had no material capital commitment.

### HUMAN RESOURCES MANAGEMENT

As at 30 June 2022, the Group had a total of 15 (31 December 2021: 15) employees. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. Employees may also be granted share awards under the share award scheme adopted by the Company.

### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ADDITIONS OF CAPITAL ASSETS

The Group did not have any significant investments, material acquisitions, and disposals of subsidiaries and affiliated companies during the Period, nor there was any future plans for material investments or additions of capital assets as at 30 June 2022.

### CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2022 and 31 December 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE PLACING

The Group expects the remaining unutilised use of proceeds will be fully utilised by 31 December 2022. Set out below is the revised expansion plan of the Group including the actual use of proceeds since Listing and up to 30 June 2022.

Use of proceeds	Planned use of proceeds as stated in the Prospectus HK\$ million	Actual use of proceeds up to 31 December 2021 HK\$ million	Actual use of proceeds for the six months ended 30 June 2022 HK\$ million	Actual use of proceeds up to 30 June 2022 HK\$ million	Unutilised amount as at 30 June 2022 HK\$ million	Expected timeline for utilising the unutilised proceeds HK\$ million
1. Establish an international team with corresponding expansion of Hong Kong office and improvement of our equipment and facilities	13.8	13.8	–	13.8	–	Fully utilised
2. Maintain and strengthen our market position in Hong Kong and the PRC and focus on reputable customers	6.0	6.0	–	6.0	–	Fully utilised
3. Increase our capacity to capture more business opportunities	4.6	4.6	–	4.6	–	Fully utilised
4. Expand our business in the PRC market	3.1	2.0	0.1	2.1	1.0	By 31 December 2022
5. General working capital	3.1	3.1	–	3.1	–	Fully utilised
	30.6	29.5	0.1	29.6	1.0	

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry. The actual use of proceeds for expansion of PRC market took longer time due to the COVID-19 outbreak.

The unutilised net proceeds have been placed as interest bearing deposits with banks in Hong Kong.

Business strategies	Implementation activities	Amount of use of proceeds to be utilised
Expand our business in the PRC market	— Retain existing marketing executives	Net proceeds of approximately HK\$1.0 million
	— Additional marketing expenses for procuring new projects	

## OTHER INFORMATION

### **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2022, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

#### **Long Position in Shares of the Company**

<b>Name</b>	<b>Capacity/Nature of interest</b>	<b>Interests in Shares</b>	<b>Approximate percentage shareholding (Note 2)</b>
Mr. Lau King Wai	Interest of a controlled corporation (Note 1)	750,000,000	75%

Notes:

1. Mr. Lau King Wai beneficially owns 100% of the issued share capital of Sino Emperor Group Limited ("Sino Emperor"). By virtue of the SFO, Mr. Lau King Wai is deemed to be interested in all the Shares held by Sino Emperor.
2. The approximate percentages were calculated based on 1,000,000,000 shares in issue as at 30 June 2022.

Saved as disclosed above, as at 30 June 2022, none of the Directors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2022, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations" above, the following person has an interest or short position in the Shares or underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the Shares are listed as follows:

#### Long Positions in Shares

Name	Nature of interest	Number of Shares	Approximate percentage shareholding (Note 3)
Sino Emperor (Note 1)	Beneficial owner	750,000,000	75%
Ms. Chan Pui Shan, Jessica (Note 2)	Interest of spouse	750,000,000	75%

#### Notes:

1. Sino Emperor is beneficially and wholly owned by Mr. Lau King Wai. By virtue of the SFO, Mr. Lau King Wai is deemed to be interested in all the Shares held by Sino Emperor.
2. 750,000,000 Shares are held by Sino Emperor, which is a company wholly owned by Mr. Lau King Wai. By virtue of the SFO, Ms. Chan Pui Shan, Jessica, who is the spouse of Mr. Lau King Wai, is taken to be interested in these Shares.
3. The approximate percentages were calculated based on 1,000,000,000 shares in issue as at 30 June 2022.

Saved as disclosed above, as at 30 June 2022, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations" above) who had, or deemed to have, interests or short positions in the Shares, underlying Shares which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were expected, directly or indirectly, to be interested in 5% or more of the issued shares of the Company.

## OTHER INFORMATION

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

None of the Directors or the substantial shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the six months ended 30 June 2022 and up to the date of this interim report.

### **EQUITY-LINKED AGREEMENTS**

Other than the "share award scheme" as disclosed below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Period or subsisted at the end of the Period.

#### **Share Award Scheme**

The Company has adopted a share award scheme (the "Share Award Scheme") on 17 May 2021 (the "Adoption Date") for the purpose of retaining participants and encouraging them to make contributions to the growth and development of the Group.

Pursuant to the rules of the Share Award Scheme (the "Scheme Rules"), the Board may grant an award to anyone (other than any excluded participant) who is an employee, non-executive director, supplier, customer or consultant etc. of any member of the Group for participation in the Share Award Scheme and determine the terms of the award. The Share Award Scheme is subject to the administration of the Board in accordance with the Scheme Rules. The Board may engage one or more trustees to administer the Share Award Scheme as the Board thinks fit. The Share Award Scheme will terminate on the tenth anniversary of the Adoption Date or such earlier date as the Board may determine. The Board shall not grant any further awards if such award would cause the aggregate number of shares underlying such award and all other outstanding awards (taken together with all unvested awarded shares granted under the Scheme Rules) to exceed 10% of the number of issued shares at the date of grant. The Board may, from time-to-time remit funds to the trustee for the purposes of the Share Award Scheme, and such money will form part of the trust fund. The Board may instruct the trustee to purchase the number of shares underlying the award from the open market (either on-market or off-market) and the trustee shall hold such shares on trust for the participants until they are vested in accordance with the Scheme Rules.

During the Period, the trustee purchased a total number of 14,990,000 shares (the "Share Purchase") on the market at a total consideration after transaction costs of approximately HK\$2.9 million for the purpose of the Share Award Scheme. During the Period, no share awards have been granted under the Share Award Scheme.

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

Except as disclosed in elsewhere in this interim report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2022.

## OTHER INFORMATION

### **CORPORATE GOVERNANCE**

The Company adopted the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules as its own code of corporate governance. During the six months ended 30 June 2022, the Company has complied with the code provisions set out in the CG Code except for the deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. In view of Mr. Lau King Wai, being the founder of the Group and his experience and his roles in the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Mr. Lau King Wai acts as the chairman of the Board (the “Chairman”) and continues to act as the Chief Executive Officer (the “CEO”). The Directors consider that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and CEO is necessary.

### **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to its Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the six months ended 30 June 2022. The Company was not aware of any non-compliance during the six months ended 30 June 2022.

### **AUDIT COMMITTEE**

The Company established an audit committee (the “Audit Committee”) on 18 November 2016 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph D.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are mainly to make recommendation to the Board on the appointment and removal of external auditors; review financial statements and material advice in respect of financial reporting; and oversee risk management and internal control procedures of the Company. The Audit Committee currently consists of three members, namely Mr. Li Wai Kwan, Mr. Hui Harry Chi and Ms. So Patsy Ying Chi. Ms. So Patsy Ying Chi is the chairlady of the Audit Committee.

## OTHER INFORMATION

The Audit Committee has reviewed the unaudited interim financial results of the Group for the six months ended 30 June 2022 and this interim report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board

**K W Nelson Interior Design and Contracting Group Limited**

**Lau King Wai**

*Chairman and chief executive officer*

Hong Kong, 29 July 2022

*As at the date of this report, the Board comprises Mr. Lau King Wai, Ms. Leung May Yan and Mr. Wong Siu Hong Edward as executive Directors, and Mr. Li Wai Kwan, Mr. Hui Harry Chi and Ms. So Patsy Ying Chi as independent non-executive Directors.*