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COOLPOINT INNONISM HOLDING LIMITED

快意智能股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8040)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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, 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 DCB Holdings 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 and its subsidiaries (collectively referred to as the “**Group**”). 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.*

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2022 (the “Period”)

- Revenue of the Group was approximately HK\$105.0 million, representing an increase of approximately 1.9% as compared to that of approximately HK\$103.1 million for the six months ended 30 September 2021 (the “**Previous Period**”).
- Loss and other comprehensive expense for the Period attributable to the owners of the Company increased by approximately HK\$3.4 million or 104.0% from approximately HK\$3.2 million for the Previous Period to approximately HK\$6.6 million for the Period.
- The Board does not recommend the payment of an interim dividend for the Period.
- Loss per share of the Company for the Period was approximately HK2.02 cents (Previous Period: HK1.01 cents).

INTERIM RESULT

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 September 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

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

For the three months and six months ended 30 September 2022

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	49,613	55,206	105,048	103,077
Cost of services		(47,539)	(54,829)	(102,044)	(100,879)
Gross profit		2,074	377	3,004	2,198
Other income and gains	5	895	578	1,401	1,389
Allowance recognised on:					
– other receivables	14	(229)	—	(229)	—
– contract assets	15	(2,286)	—	(2,286)	—
Administrative expenses		(4,143)	(3,439)	(8,112)	(6,780)
Finance costs	6	(151)	(18)	(257)	(40)
Loss before tax	7	(3,840)	(2,502)	(6,479)	(3,233)
Income tax expenses	8	(120)	—	(120)	—
Loss and other comprehensive expense for the period		<u>(3,960)</u>	<u>(2,502)</u>	<u>(6,599)</u>	<u>(3,233)</u>
Loss and other comprehensive expense for the period attributable to:					
Owners of the Company		(3,959)	(2,502)	(6,595)	(3,233)
Non-controlling interests		(1)	—	(4)	—
		<u>(3,960)</u>	<u>(2,502)</u>	<u>(6,599)</u>	<u>(3,233)</u>
Loss per share					
Basic (HK cents)	10	<u>(1.19)</u>	<u>(0.78)</u>	<u>(2.02)</u>	<u>(1.01)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	<i>Notes</i>	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	<i>11</i>	1,269	1,462
Right-of-use assets	<i>12</i>	4,587	4,971
Financial assets at fair value through profit or loss	<i>13</i>	3,880	—
		<u>9,736</u>	<u>6,433</u>
Current assets			
Trade and other receivables	<i>14</i>	37,944	19,350
Contract assets	<i>15</i>	64,021	79,109
Pledged bank deposits	<i>16</i>	6,077	10,079
Bank balances and cash		23,146	10,447
		<u>131,188</u>	<u>118,985</u>
Current liabilities			
Trade and other payables	<i>17</i>	9,231	14,313
Contract liabilities	<i>18</i>	38,633	25,002
Borrowings	<i>19</i>	13,000	10,000
Lease liabilities	<i>20</i>	2,065	2,151
Tax payable		120	—
		<u>63,049</u>	<u>51,466</u>
Net current assets		<u>68,139</u>	<u>67,519</u>
Total assets less current liabilities		<u>77,875</u>	<u>73,952</u>
Non-current liabilities			
Lease liabilities	<i>20</i>	2,534	2,803
Other non-current liabilities		258	258
		<u>2,792</u>	<u>3,061</u>
Net assets		<u>75,083</u>	<u>70,891</u>
Equity			
Equity attributable to owners of the Company			
Share capital	<i>21</i>	3,400	3,200
Reserves		71,540	67,691
		<u>74,940</u>	<u>70,891</u>
Non-controlling interests		<u>143</u>	<u>—</u>
Total equity		<u>75,083</u>	<u>70,891</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (Audited)	3,200	48,097	10,010	26,667	87,974	—	87,974
Loss and other comprehensive expense for the period	—	—	—	(3,233)	(3,233)	—	(3,233)
Dividends recognised as distribution	—	—	—	(3,520)	(3,520)	—	(3,520)
At 30 September 2021 (Unaudited)	3,200	48,097	10,010	19,914	81,221	—	81,221
At 1 April 2022 (Audited)	3,200	48,097	10,010	9,584	70,891	—	70,891
Issue of shares upon share placement	200	10,444	—	—	10,644	—	10,644
Capital contribution from non-controlling interests	—	—	—	—	—	147	147
Loss and other comprehensive expense for the period	—	—	—	(6,595)	(6,595)	(4)	(6,599)
At 30 September 2022 (Unaudited)	3,400	58,541	10,010	2,989	74,940	143	75,083

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Loss before tax:	(6,479)	(3,233)
Adjustments for:		
Allowance recognised on:		
– other receivables	229	—
– contract assets	2,286	—
Finance costs	257	40
Depreciation of plant and equipment	233	113
Depreciation of right-of-use assets	1,304	1,130
Net gain on disposal of plant and equipment	—	(21)
Interest income	(22)	(14)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(2,192)	(1,985)
Increase in trade and other receivables	(18,823)	(26,134)
Decrease/(increase) in contract assets	12,802	(12,155)
(Decrease)/increase in trade and other payables	(5,082)	3,918
Increase/(decrease) in contract liabilities	13,631	(1,904)
	<hr/>	<hr/>
Net cash from/(used) in operating activities	336	(38,260)
Investing activities		
Interest received	14	6
Purchase of financial assets at fair value through profit or loss	(3,880)	—
Purchase of plant and equipment	(40)	(411)
Proceeds from disposal of plant and equipment	—	33
Decrease/(increase) in pledged bank deposits	4,002	(2)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	96	(374)

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Financing activities		
Repayment of principal element of lease liabilities	(1,267)	(1,135)
Repayment of interest element of lease liabilities	(93)	(40)
New bank loans raised	9,000	8,000
Repayment of bank loan	(6,000)	—
Interest paid	(164)	—
Capital contribution from non-controlling interests	147	—
Issue of share upon share placement	10,644	—
Dividends paid	—	(3,520)
	<hr/>	<hr/>
Net cash from financing activities	12,267	3,305
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	12,699	(35,329)
Cash and cash equivalents at beginning of period	10,447	47,050
	<hr/>	<hr/>
Cash and cash equivalents at end of period represented by bank balances and cash	23,146	11,721
	<hr/> <hr/>	<hr/> <hr/>

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on GEM of the Stock Exchange. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Group, comprising the Company and its subsidiaries, is located at Room D, 12/F., Lucky Factory Building, 63–65 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Group is principally engaged in the provision of fitting-out and renovation services in the private sector in Hong Kong and services of Nano-AM application.

The unaudited condensed consolidated financial statements of the Group for six months ended 30 September 2022 are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee and approved for issue by the Board on 3 November 2022.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the six months ended 30 September 2022 (the “**Financial Statements**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. Besides, the Financial Statements include applicable disclosures required by the GEM Listing Rules. The Financial Statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. The Financial Statements are presented in Hong Kong dollar and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income and expenses. Actual results may differ from these estimates.

3. APPLICATION OF NEW AND REVISED HKFRSs

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 April 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The adoption of the new and amendments to HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, who are also the chief operating decision maker (“CODM”) for the purposes of resource allocation and performance assessment.

The CODM considers reportable and operating segments under HKFRS 8 are as follows:

- (i) Fitting-out work — refers to works conducted on new buildings.
- (ii) Renovation work — refers to works carried out on existing buildings that involve upgrades and/or makeovers and/or demolition of existing works.
- (iii) Nano-AM application — refers to the provision and application of the Nano-AM on various types of repair and maintenance works.

Segment revenue and results

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

	Three months ended							
	30 September 2022			Total	30 September 2021			Total
	Fitting-out	Renovation	Nano-AM		Fitting-out	Renovation	Nano-AM	
	work	work	application	work	work	application		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	<u>25,432</u>	<u>23,069</u>	<u>1,112</u>	<u>49,613</u>	<u>18,066</u>	<u>37,140</u>	<u>—</u>	<u>55,206</u>
Segment results	<u>1,725</u>	<u>(92)</u>	<u>441</u>	<u>2,074</u>	<u>1,423</u>	<u>(1,046)</u>	<u>—</u>	<u>377</u>
Consultancy fee income				—				551
Government subsidies				879				—
Other unallocated income				16				27
Unallocated expenses				(6,809)				(3,457)
Loss before tax				<u>(3,840)</u>				<u>(2,502)</u>
	Six months ended							
	30 September 2022			Total	30 September 2021			Total
	Fitting-out	Renovation	Nano-AM		Fitting-out	Renovation	Nano-AM	
	work	work	application	work	work	application		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Segment revenue	<u>58,815</u>	<u>44,151</u>	<u>2,082</u>	<u>105,048</u>	<u>53,809</u>	<u>49,268</u>	<u>—</u>	<u>103,077</u>
Segment results	<u>2,508</u>	<u>(425)</u>	<u>921</u>	<u>3,004</u>	<u>4,264</u>	<u>(2,066)</u>	<u>—</u>	<u>2,198</u>
Consultancy fee income				—				1,338
Government subsidies				1,379				21
Other unallocated income				22				30
Unallocated expenses				(10,884)				(6,820)
Loss before tax				<u>(6,479)</u>				<u>(3,233)</u>

Segment revenue represents revenue from external customers. There were no inter-segment sales for the Period (Previous Period: Nil).

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit/loss before tax earned by each segment without allocation of consultancy fee income, government subsidies, other unallocated income and unallocated expenses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM and is not used for the purposes of resource allocation and performance assessment.

Geographical information

The Group's revenue is all derived from operations in Hong Kong and the Group's non-current assets are all located in Hong Kong.

5. OTHER INCOME AND GAINS

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other income				
Bank interest income	12	2	14	6
Consultancy fee income (<i>note (i)</i>)	—	551	—	1,338
Government Subsidies under the Employment Support Scheme (<i>note (ii)</i>)	856	—	1,356	—
Government Subsidies under the Distance Business Programme (<i>note (iii)</i>)	23	—	23	21
Other interest income	4	4	8	8
Other net gains or losses				
Net exchange loss	—	—	—	(5)
Net gain on disposal of plant and equipment	—	21	—	21
	895	578	1,401	1,389

Notes:

- (i) The consultancy fee income was recognised over time using the output method.
- (ii) Government subsidies amounted to approximately HK\$1,356,000 were received by a subsidiary from the Employment Support Scheme under Anti-Epidemic Fund in Hong Kong for the Period (Previous Period: Nil). There were no unfulfilled conditions or contingencies relating to these subsidies.
- (iii) Government subsidies amounted to approximately HK\$23,000 were received by a subsidiary from the Distance Business Programme under the Anti-Epidemic Fund in Hong Kong for the Period (Previous Period: approximately HK\$21,000). There were no unfulfilled conditions or contingencies relating to these subsidies.

6. FINANCE COSTS

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on				
Bank borrowings	103	—	164	—
Lease liabilities	48	18	93	40
	151	18	257	40

7. LOSS BEFORE TAX

	Three months ended		Six months ended	
	30 September	2021	30 September	2021
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss before tax has been arrived at after charging:				
Directors' emolument				
Fees	18	54	36	108
Salaries, allowances and other benefits	902	1,313	1,918	2,626
Retirement benefit scheme contributions	9	9	18	18
	<u>929</u>	<u>1,376</u>	<u>1,972</u>	<u>2,752</u>
Other staff costs				
Salaries, allowances and other benefits	7,302	6,579	14,740	12,960
Retirement benefit scheme contributions	226	225	463	445
	<u>7,528</u>	<u>6,804</u>	<u>15,203</u>	<u>13,405</u>
Total staff costs	8,457	8,180	17,175	16,157
Less: amounts included in cost of services	<u>(6,312)</u>	<u>(6,234)</u>	<u>(12,698)</u>	<u>(12,064)</u>
Amounts included in administrative expenses	<u>2,145</u>	<u>1,946</u>	<u>4,477</u>	<u>4,093</u>
Auditor's remuneration	125	125	250	250
Depreciation of plant and equipment	117	63	233	113
Depreciation of right-of-use assets	<u>631</u>	<u>568</u>	<u>1,304</u>	<u>1,130</u>

8. INCOME TAX EXPENSES

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong profit tax				
— current period	<u>120</u>	<u>—</u>	<u>120</u>	<u>—</u>

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the Period (Previous Period: Nil).

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

A final dividend in respect of the year ended 31 March 2021 of HK1.1 cents per ordinary share, in an aggregate amount of HK\$3,520,000, was approved by the shareholders of the Company in the annual general meeting and paid during the six months ended 30 September 2021.

10. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company	<u>(3,959)</u>	<u>(2,502)</u>	<u>(6,595)</u>	<u>(3,233)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>333,043</u>	<u>320,000</u>	<u>326,557</u>	<u>320,000</u>

No diluted earnings per share are presented as there were no potential ordinary shares in issue.

11. PLANT AND EQUIPMENT

	Furniture and equipment <i>HK\$'000</i>	Decoration <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Audited				
Cost				
As at 1 April 2021	538	237	1,243	2,018
Additions	97	—	1,301	1,398
Disposals	—	—	(948)	(948)
	<u>635</u>	<u>237</u>	<u>1,596</u>	<u>2,468</u>
As at 31 March 2022				
Accumulated depreciation				
As at 1 April 2021	397	88	1,116	1,601
Charge for the year	91	47	203	341
Eliminated on disposals	—	—	(936)	(936)
	<u>488</u>	<u>135</u>	<u>383</u>	<u>1,006</u>
As at 31 March 2022				
Carrying amount				
As at 31 March 2022	<u><u>147</u></u>	<u><u>102</u></u>	<u><u>1,213</u></u>	<u><u>1,462</u></u>
Unaudited				
Cost				
As at 1 April 2022	635	237	1,596	2,468
Additions	40	—	—	40
	<u>675</u>	<u>237</u>	<u>1,596</u>	<u>2,508</u>
As at 30 September 2022				
Accumulated depreciation				
As at 1 April 2022	488	135	383	1,006
Charge for the period	49	24	160	233
	<u>537</u>	<u>159</u>	<u>543</u>	<u>1,239</u>
As at 30 September 2022				
Carrying amount				
As at 30 September 2022	<u><u>138</u></u>	<u><u>78</u></u>	<u><u>1,053</u></u>	<u><u>1,269</u></u>

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture and equipment	30%
Decoration	20%
Motor vehicles	20%

12. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000
Audited	
Cost	
As at 1 April 2021	4,809
Additions	5,033
Derecognised upon termination of lease	<u>(2,972)</u>
As at 31 March 2022	<u>6,870</u>
Accumulated depreciation	
As at 1 April 2021	2,530
Charge for the year	2,341
Derecognised upon termination of lease	<u>(2,972)</u>
As at 31 March 2022	<u>1,899</u>
Carrying amount	
As at 31 March 2022	<u><u>4,971</u></u>
Unaudited	
Cost	
As at 1 April 2022	6,870
Additions	920
Derecognised upon termination of lease	<u>(1,838)</u>
As at 30 September 2022	<u>5,952</u>
Accumulated depreciation	
As at 1 April 2022	1,899
Charge for the period	1,304
Derecognised upon termination of lease	<u>(1,838)</u>
As at 30 September 2022	<u>1,365</u>
Carrying amount	
As at 30 September 2022	<u><u>4,587</u></u>

The right-of-use assets represent the Group's rights to use certain leased properties as office and staff quarter for its operations under operating lease arrangement over the lease terms, which ranged from one to four years (31 March 2022: one to three years).

Expenses have been charged to the consolidated statement profit or loss and other comprehensive income in respect of the Period as follows:

	Six months ended	
	30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation of right-of-use assets	1,304	1,130
Interest on lease liabilities	93	40
	<u><u>1,397</u></u>	<u><u>1,170</u></u>

The total cash outflow for leases for the six months ended 30 September 2022 is approximately HK\$1,360,000 (six months ended 30 September 2021: HK\$1,175,000) which was included in financing activities.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September	31 March
	2022	2022
	<i>HK'000</i>	<i>HK'000</i>
	(Unaudited)	(Audited)
Unlisted investment in a life insurance policy	3,880	—
	<u><u>3,880</u></u>	<u><u>—</u></u>

In September 2022, the Group entered into a life insurance policy with an insurance company to insure a member of the senior management of the Group. Under this policy, the beneficiary and policyholder is the Company's principal subsidiary, DCB Company Limited ("DCB"). The Group has paid out the total insurance premium with an aggregate amount of approximately US\$494,000 (equivalent to approximately HK\$3,880,000) at the inception of the insurance.

As at 30 September 2022, the investment in a life insurance policy was pledged to a bank to secure banking facilities granted to the Group (note 19).

14. TRADE AND OTHER RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade receivables, gross	35,925	17,156
Less: Impairment loss recognised	<u>(408)</u>	<u>(408)</u>
Trade receivables, less impairment losses	<u>35,517</u>	<u>16,748</u>
Other receivables, gross	1,700	1,554
Less: Impairment loss recognised	<u>(476)</u>	<u>(247)</u>
Other receivables, less impairment losses	<u>1,224</u>	<u>1,307</u>
Deposits and prepayments	<u>1,203</u>	<u>1,295</u>
Total trade and other receivables	<u>37,944</u>	<u>19,350</u>

The Group's trade receivables as at 30 September 2022 with aggregate carrying amount of approximately HK\$35,517,000 (31 March 2022: HK\$16,748,000) were past due at the reporting date. The Group does not hold any collateral over these balances. Trade receivables are non-interest bearing.

Ageing of trade receivables which are past due based on invoice date but not impaired:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Over due:		
0 to 30 days	20,371	14,301
31 to 60 days	10,902	517
61 to 90 days	246	1,800
Over 90 days	<u>3,998</u>	<u>130</u>
	<u>35,517</u>	<u>16,748</u>

Other receivables mainly represent advance to a third party and a shareholder of the Company's subsidiary amounted to HK\$1,078,000 (31 March 2022: HK\$1,307,000) and HK\$146,000 (31 March 2022: nil) respectively. The advance is unsecured, interest free and repayable on demand.

An impairment loss of other receivables amounted to approximately HK\$229,000 is recognised for the Period (Previous Period: Nil).

15. CONTRACT ASSETS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Fitting-out works	46,026	41,822
Renovation works	23,274	40,280
	<hr/>	<hr/>
	69,300	82,102
Less: Impairment loss recognised	(5,279)	(2,993)
	<hr/>	<hr/>
	64,021	79,109
	<hr/> <hr/>	<hr/> <hr/>

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

The Group's contracts include payment schedules which require stage payments over the contract period once certain specified milestones are reached.

An impairment loss of contract assets amounted to approximately HK\$2,286,000 is recognised for the Period (Previous Period: Nil).

16. PLEDGED BANK DEPOSITS

Bank deposits of approximately HK\$6,077,000 (31 March 2022: HK\$10,079,000) have been pledged to banks for general banking facilities granted to the Group.

17. TRADE AND OTHER PAYABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade payables	4,332	10,585
Accruals	4,899	3,728
	<u>9,231</u>	<u>14,313</u>

The ageing analysis of the trade payables based on invoice date at the end of the reporting period is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
1 to 30 days	4,210	10,501
31 to 60 days	4	—
61 to 90 days	—	—
Over 90 days	118	84
	<u>4,332</u>	<u>10,585</u>

18. CONTRACT LIABILITIES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Fitting-out works	22,446	13,852
Renovation works	15,752	11,150
Nano-AM application services	435	—
	<u>38,633</u>	<u>25,002</u>

19. BORROWINGS

	30 September 2022 HK'000 (Unaudited)	31 March 2022 HK'000 (Audited)
Revolving bank loans	4,000	10,000
Bank term loan	9,000	—
	<u>13,000</u>	<u>10,000</u>
Carrying amount of the above bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable as follows:		
Within one year	4,534	10,000
More than one year but not exceeding two years	2,173	—
More than two years but not exceeding five years	6,293	—
	<u>13,000</u>	<u>10,000</u>

The amounts due are based on scheduled repayment dates set out in the banking facility letters.

At the end of the reporting period, bank facilities granted to the Group amounted to HK\$75,900,000 (31 March 2022: HK\$81,900,000), of which HK\$13,000,000 (31 March 2022: HK\$10,000,000) for bank borrowings and approximately HK\$20,599,000 (31 March 2022: HK\$21,136,000) for the guarantees under performance bonds were utilised by the Group at that date. The bank borrowings outstanding at the end of reporting period carried interest at floating rates of 2.30% to 2.75% per annum (31 March 2022: 2.30% to 2.60%). The bank term loan is borrowed from a bank to DCB under the SME Financing Guarantee Scheme and is secured by personal guarantees given by Mr. Dennis Cheng, Ms. Lily Liu and Mr. Dick Cheng who are the directors of DCB. Other bank facilities were secured by:

- (i) pledge of bank deposits amounted to approximately HK\$6,077,000 (31 March 2022: HK\$10,079,000) (note 16);
- (ii) pledge of investment in a life insurance policy (note 13); and
- (iii) unlimited corporate guarantee provided by the Company.

20. LEASE LIABILITIES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Lease liabilities payable:		
Within one year	2,065	2,151
Within a period of more than one year but not more than two years	<u>2,534</u>	<u>2,803</u>
	4,599	4,954
Less: Amount due for settlement within twelve months included in current liabilities	<u>(2,065)</u>	<u>(2,151)</u>
Amount due for settlement after twelve months shown under non-current liabilities	<u>2,534</u>	<u>2,803</u>

21. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2021 (Audited), 31 March 2022 (Audited) and 30 September 2022 (Unaudited)	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2021 (Audited) and 31 March 2022 (Audited)	320,000,000	3,200
Issue of shares upon share placement	<u>20,000,000</u>	<u>200</u>
At 30 September 2022 (Unaudited)	<u>340,000,000</u>	<u>3,400</u>

22. SURETY BOND AND CONTINGENT LIABILITY

Certain customers of construction contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds. At the end of the reporting period, the Group had outstanding guarantees for performance bonds issued in favour of the customers of the Group as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Surety bonds for performance guarantees issued by banks	<u>20,599</u>	<u>21,136</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is principally engaged in the provision of fitting-out and renovation services in the private sector in Hong Kong.

Fitting-out and renovation services

The Group's clientele of the fitting-out and renovation services comprises (i) property developers, some of which are (or whose holding companies are) listed on the Stock Exchange; (ii) main contractors or direct contractors of the fitting-out and renovation projects; and (iii) owners or tenants of properties.

The Group's fitting-out and renovation services mainly include provision of fitting-out and renovation solutions for different types of premises in the private sector, including residential apartments and residential dwellings, show flats, clubhouses, sales office, public area in residential and commercial buildings, offices, shopping malls and shops in Hong Kong.

As the project manager and principal coordinator, the Group is responsible for the overall implementation of projects that included planning, coordinating, monitoring and supervising the project from the commencement of service to the delivery of certificate of completion, and follow up on rectification of defects during the defect liability period, among other things.

For projects over HK\$10 million which is defined as large-scaled projects hereafter, the Group has awarded one large-scaled fitting-out project with a contract sum of approximately HK\$18.0 million during the Period. Up to the end of the reporting period, no revenue has been generated from this large-scaled project. In the Previous Period, the Group had been awarded a total of five large-scaled projects, which comprised one fitting-out project and four renovation projects with a total contract sum of approximately HK\$117.8 million and contributed a revenue of approximately HK\$34.9 million for the Previous Period.

Nano-AM application services

During the Period, the Group has obtained an exclusive license for sales of a nanophotocatalytic antifouling material (the "Nano-AM") that is an eco-friendly material effectively preventing unwanted growth of microorganisms onto the coated surfaces, currently being used as a surface disinfecting material and protective paint on building materials, boats and yachts.

Leveraging the exclusive license for the sales of the Nano-AM, the Company explores the marine repair and maintenance business successfully. The Group is responsible for the sales and marketing of the Nano-AM and is exploring other opportunities for the Nano-AM application.

The Board believes that the Nano-AM can also have useful applications in other aspects including our fitting-out and renovation projects and also can be a good opportunity for the Group to broaden its income streams through sales of the Nano-AM in the construction materials market.

Looking forward, in addition to the huge development potential of the Nano-AM application, the Board believes that the demand for the high-end fitting-out and renovation services will stay strong, and the Group will continue to develop this market accordingly. In addition, the Board discovered that there is a high demand for on-site housing repair and maintenance services in Hong Kong. The Group will try to explore the opportunities in the provision of housing repair and maintenance services.

Financial Review

Revenue

The Group's revenue is principally generated from provision of fitting-out and renovation services and Nano-AM application services to its customers.

The following table shows our revenue by operating segment during the six months ended 30 September 2022 and 2021:

	For the six months ended 30 September			
	2022		2021	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Fitting-out work	58,815	56.0	53,809	52.2
Renovation work	44,151	42.0	49,268	47.8
Nano-AM application services	2,082	2.0	—	—
	<u>105,048</u>	<u>100.0</u>	<u>103,077</u>	<u>100.0</u>

The Group's overall revenue increased from approximately HK\$103.1 million for the Previous Period to approximately HK\$105.0 million for the Period, representing an increase of approximately 1.9%.

The revenue for fitting-out works for the Period was approximately HK\$58.8 million, represented an increase of approximately 9.3% from approximately HK\$53.8 million for the Previous Period. The increase was mainly due to a substantial portion of fitting-out works for several large-scaled projects located in Repulse Bay and Tuen Mun are carried out during the Period and contributed an increase in revenue of approximately HK\$30.6 million for the Period and partially offset by a decrease in revenue of approximately HK\$25.6 million generated from other fitting-out projects.

The revenue for renovation works for the Period was approximately HK\$44.2 million, represented a decrease of approximately 10.4% from approximately HK\$49.3 million for the Previous Period. The decrease was mainly due to a substantial portion of the renovation works for several large-scaled projects located in Shatin and Stanley were carried in last financial year and as such the aggregate revenue contributed from these large-scaled projects decreased from approximately HK\$14.0 million for the Previous Period to approximately HK\$1.8 million for the Period.

Cost of Services and Gross Profit

The Group's cost of services increased from approximately HK\$100.9 million for the Previous Period to approximately HK\$102.0 million for the Period, representing an increase of approximately 1.2%. Such increase was generally in line with the increase in revenue for the Period.

The following table shows our gross profit and gross profit margin by operating segment during the six months ended 30 September 2022 and 2021:

	For the six months ended 30 September			
	2022		2021	
	Gross Profit/ (Loss) <i>HK\$'000</i>	Gross Profit Margin %	Gross Profit/ (Loss) <i>HK\$'000</i>	Gross Profit Margin %
Fitting-out work	2,508	4.3	4,264	7.9
Renovation work	(425)	(1.0)	(2,066)	(4.2)
Nano-AM application services	921	44.2	—	—
	<u>3,004</u>	<u>2.9</u>	<u>2,198</u>	<u>2.1</u>

The overall gross profit increased by approximately HK\$0.8 million or 36.7% from approximately HK\$2.2 million for the Previous Period to approximately HK\$3.0 million for the Period, which was primarily attributable to the increase in revenue for the Period as mentioned above.

Other Income and Gains

The Group's other income and gains or losses increased by approximately HK\$12,000 from approximately HK\$1,389,000 for the Previous Period to approximately HK\$1,401,000 for the Period. Such increase was primarily due to an increase in government subsidies under the Employment Support Scheme of approximately HK\$1,356,000 for the Period and partially off set by a decrease in consultancy fee income of approximately HK\$1,338,000 for the Period.

Impairment loss of other receivables and contract assets

The Group's impairment loss of other receivables and contract assets amounted to approximately HK\$0.2 million and HK\$2.3 million for the Period (Previous Period: Nil).

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$8.1 million and approximately HK\$6.8 million for the six months ended 30 September 2022 and 2021 respectively, representing an increase of approximately 19.6%. Such increase was primarily due to an increase in legal and professional fees, staff costs and depreciation expenses by approximately HK\$0.4 million, HK\$0.3 million and HK\$0.3 million respectively.

Finance Costs

For the six months ended 30 September 2022 and 2021, the Group's finance costs amounted to approximately HK\$257,000 and HK\$40,000 respectively, representing an increase of approximately 542.5%. Such increase was mainly due to an increase in interests on bank borrowings for the Period.

Income Tax Expense

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the Period (Previous Period: Nil).

Loss and Other Comprehensive Expense for the Period

As a result of aforesaid, the Group records a loss and other comprehensive expense of approximately HK\$6.6 million for the Period (Previous Period: HK\$3.2 million).

Dividends

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

A final dividend in respect of the year ended 31 March 2021 of HK1.1 cents per ordinary share, in an aggregate amount of HK\$3,520,000, was approved by the shareholders of the Company in the annual general meeting and paid during the Previous Period.

Borrowing Facilities

As at 30 September 2022, the Group has obtained credit facilities from banks up to a maximum amount of approximately HK\$75.9 million (31 March 2022: HK\$81.9 million), which include, but not limited to, revolving loan, term loan, overdraft and bank guarantee. Out of total banking facilities, revolving loan facility of HK\$4.0 million (31 March 2022: HK\$10.0 million) and term loan facility of HK\$9.0 million (31 March 2022: Nil) were outstanding. As at 30 September 2022, the total value of guarantees under surety bonds issued in favour of the Group's customers amounted to approximately HK\$20.6 million (31 March 2022: HK\$21.1 million). The revolving loan facility and term loan facility are denominated in Hong Kong dollars and carried at variable rates of Hong Kong Inter-bank Offered Rate (“**HIBOR**”) plus 2% per annum and Hong Kong Best Lending Rate quoted by the bank from time to time minus 2.25% per annum respectively.

Gearing Ratio

The gearing ratio of the Group as at 30 September 2022 was 17.3% (31 March 2022: 14.1%). Such increase is mainly due to the drawdown of the bank borrowings to finance the Company's operations. The gearing ratio is calculated based on the total bank borrowings at the end of the respective periods divided by total equity at the end of the respective periods and multiplied by 100%.

Liquidity and Financial Resources

The bank balances and cash of the Group as at 30 September 2022 were approximately HK\$23.1 million (31 March 2022: approximately HK\$10.4 million). The Group intends to finance its future operations and capital expenditures with cash flow from operating activities and banking facilities available to the Group. The Group's primary uses of cash have been and are expected to continue to be operating costs and capital expenditure. The Group's cash level is affected mainly by the fluctuation of trade receivables, contract assets, trade payables and contract liabilities. The current ratio of the Group as at 30 September 2022 was comfortably maintained at 2.1 (31 March 2022: 2.3). As at 30 September 2022,

the Group’s bank balances and cash, except a small aggregate amount of approximately HK\$343,000 (31 March 2022: HK\$343,000) in foreign currencies including Renminbi and United States dollars, were held in Hong Kong dollars.

Capital Structure

As at 30 September 2022, the Company’s issued share capital was HK\$3,400,000 (31 March 2022: 3,200,000) and the number of its issued ordinary shares was 340,000,000 (31 March 2022: 320,000,000) of HK\$0.01 each.

Use of Proceeds from Placing

On 2 August 2022, an aggregate of 20,000,000 ordinary shares of the Company have been placed to places at a price of HK\$0.540 per share (the “**Placing**”). The Company received net proceeds from the Placing, after deducting the placing commission and other related expenses and professional fees, of approximately HK\$10,644,000. The planned use of proceeds was solely for financing the Group’s working capital.

The analysis of the actual use of the proceeds are set out below:

	Planned amount utilised up to 30 September 2022 HK\$’000	Actual utilised amount as at 30 September 2022 HK\$’000	Unutilised amount as at 30 September 2022 HK\$’000
Working capital	<u>10,644</u>	<u>911</u>	<u>9,733</u>

Foreign Exchange Exposure and Treasury Policy

The Group’s core business operation is in Hong Kong and its assets are principally in Hong Kong. Hence, the Group is not exposed to significant foreign exchange risk as the majority of its business transactions are denominated in Hong Kong dollars (being the functional currency of the Group). The Group is exposed to foreign exchange risk primarily through its investment in a life insurance policy that is denominated in United States dollars (“**USD**”). As Hong Kong dollars (“**HKD**”) is pegged to USD, the Group does not expect any significant movements in the USD/HKD exchange rates. Other than the investment in a life insurance policy, there were only insignificant balances of financial assets that were denominated in foreign currency as at 30 September 2022.

The Group does not have a foreign currency hedging policy. The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

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.

Pledge of Assets

As at 30 September 2022, the Group had bank deposits amounted to approximately HK\$6.1 million (31 March 2022: HK\$10.1 million) and investment in a life insurance policy with a fair value of HK\$3.9 million (31 March 2022: Nil) which were pledged to secure banking facilities granted to the Group.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2022 (31 March 2022: Nil).

Capital Commitments

As at 30 September 2022, the Group did not have any capital commitments (31 March 2022: Nil).

Future Plan for Material Investment and Capital Assets

The Group did not have any other plans for material investment and capital assets as at 30 September 2022.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2022.

Employees and Remuneration Policies

As at 30 September 2022, the Group had a total of 62 employees (31 March 2022: 63 employees). Total staff costs amounted to approximately HK\$17.2 million for the Period, as compared to approximately HK\$16.2 million for the Previous Period. The remuneration package offered by the Group to its employees includes basic salary, bonuses and mandatory provident fund. Remuneration is determined with reference to market terms and

the performance, qualification and experience of individual employee. The Group conducts annual review on salary raises, bonuses and promotions based on the performance of each employee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules. Throughout the Period and up to the date of this announcement, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner, except for the deviations from the Code Provision C.2.1 of the CG Code mentioned in the paragraph headed "Chairman and Chief Executive Officer".

Chairman and Chief Executive Officer

Pursuant to the Code Provision C.2.1 of the CG Code, which stipulates that the roles of chairman of the Board and chief executive officer should be separate and should not be performed by the same individual. Accordingly, following the resignation of Mr. Cheng Tsang Wai as the chairman of the Board and replaced by Mr. Cheng Tsang Fu Dennis on 28 March 2022, there will be a deviation from the Code Provision C.2.1 by the Company as Mr. Cheng Tsang Fu Dennis is also the chief executive officer.

Notwithstanding the aforesaid deviation, the Board believes that vesting the roles of both the chairman of the Board and the chief executive officer on Mr. Cheng Tsang Fu Dennis can better facilitate the execution of the Group's business strategies and boost effectiveness of its operation. The Board considers that the deviation from the Code Provision C.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of three executive Directors, two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company as a whole. Nevertheless, the Company will continue to review its operation and seek to re-comply with the Code Provision C.2.1 of the CG Code by splitting the roles of chairman and chief executive officer at a time when it is appropriate to increase the independence of corporate governance of the Group.

Code of Conduct Regarding Director's Securities Transactions

The Company has adopted a code of conduct regarding Director's securities transactions 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. Having been made a specific enquiry by the Company, all Directors confirmed that they had complied with such code of conduct and the required standard of dealings regarding securities transactions by directors adopted by the Company throughout the Period and up to the date of this announcement.

Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associate Corporations

As at 30 September 2022, the interests and short positions of the directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the ordinary shares and underlying shares of the Company

Name	Capacity/Nature of interest	Interests in Shares	Approximate percentage shareholding
Mr. Cheng Tsang Fu Dennis	Interest in controlled corporation ⁽¹⁾ / interest of spouse ⁽²⁾	164,200,000	48.29%
Ms. Liu Lee Lee Lily	Interest in controlled corporation ⁽¹⁾ / interest of spouse ⁽²⁾	164,200,000	48.29%
Mr. Chui Kai Tai	Beneficial owner	12,800,000	3.76%
Prof. Leung Kwok Hi Michael	Beneficial owner	3,200,000	0.94%
Ms. Lin Xiaoling	Beneficial owner	3,200,000	0.94%
Prof. Leung Yiu Cheong	Beneficial owner	2,500,000	0.74%
Mr. Chow Kwok Kee	Interest of spouse	150,000	0.04%

Notes:

1. The entire issued share capital of Advance Goal is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are deemed to be collectively interested in 164,200,000 Shares held by Advance Goal by virtue of the SFO.
2. Each of Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily is spouse to each other. Therefore, Mr. Cheng Tsang Fu Dennis is deemed to be interested in Shares held by Ms. Liu Lee Lee Lily, and vice versa, pursuant to the SFO

Save as disclosed above, as at 30 September 2022, none of the directors nor chief executive of the Company has registered an interest and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

So far as the Directors are aware, as at 30 September 2022, other than the directors or chief executives of the Company whose interests or short positions are as disclosed under the paragraph headed "Directors' and Chief Executives' Interests and/or Short Positions in shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, the following person has an interest or short position in the shares or underlying shares of the Company 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 issued shares of the Company are listed as follows:

Long position in the ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares held	Approximate percentage shareholding
Advance Goal ⁽¹⁾	Beneficial owner	164,200,000	48.29%
Mr. Cheng Tsang Wai	Interest in controlled corporation	164,200,000	48.29%
Ms. Chow Siu Shan Juliana ⁽²⁾	Interest of spouse	164,200,000	48.29%
Mr. Chen Yi Sung	Beneficial owner	30,000,000	8.82%

Notes:

1. The entire issued share capital of Advance Goal is legally and beneficially owned as to 55%, 35% and 10% by Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily, respectively. Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis and Ms. Liu Lee Lee Lily are parties acting in concert. Accordingly, Mr. Cheng Tsang Wai, Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lee Lily are deemed to be collectively interested in 164,200,000 Shares held by Advance Goal by virtue of the SFO.
2. Ms. Chow Siu Shan Juliana is the spouse of Mr. Cheng Tsang Wai. Under the SFO, Ms. Chow Siu Shan Juliana is deemed to be interested in the 164,200,000 Shares owned by Mr. Cheng Tsang Wai through Advance Goal.

Saved as disclosed above, as at 30 September 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 or Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company 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 directly or indirectly interested in 5% or more of the issued shares of the Company.

Directors' Rights to Acquire Securities or Debenture

Other than as disclosed under the section “Directors’ and Chief Executives’ Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or its Associated Corporations” above, at no time during the Period was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Purchase, Sale or Redemption of the Company’s Listed Securities

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

Competition of Interests

During the Period, none of the directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

Share Option Scheme

The Company has conditionally adopted the share option scheme (“**Share Option Scheme**”), which was approved by written resolutions passed by its shareholders on 19 January 2018 and became unconditional on 14 February 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The Share Option Scheme is valid and effective for a period of 10 years from 14 February 2018, after which no further options will be granted or offered.

There was no option outstanding, granted, cancelled, exercised or lapsed as at 30 September 2022.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Audit Committee

The Company has set up an audit committee (the "**Committee**") on 19 January 2018 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code. The primary duties of the Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee risk management and internal control procedures of the Company. The Committee comprises the three independent non-executive Directors, namely Mr. Cheung Kwok Keung, who is the chairman of the Committee, Mr. Chow Kwok Kee and Ms. Lin Xiaoling. The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and adequate disclosures have been made.

By order of the Board
Coolpoint Innonism Holding Limited
Cheng Tsang Fu Dennis
Chairman and Chief Executive Officer

Hong Kong, 3 November 2022

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lily and Mr. Chui Kai Tai; the non-executive directors of the Company are Professor Leung Yiu Cheong and Professor Leung Kwok Hi Michael; and the independent non-executive directors of the Company are Mr. Cheung Kwok Keung, Mr. Chow Kwok Kee and Ms. Lin Xiaoling.

This announcement will remain in the "Latest Company Announcements" page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of its posting and on the website of the Company at www.coolpointinnonism.com.