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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)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 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 Coolpoint Innonism Holding 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 nine months ended 31 December 2022 (the “**Period**”):

- Revenue of the Group was approximately HK\$200.9 million, representing an increase of approximately 27.4% as compared to that of approximately HK\$157.7 million for the nine months ended 31 December 2021 (the “**Previous Period**”).
- Loss and other comprehensive expense for the Period decreased by 65.6% from approximately HK\$5.9 million for the Previous Period to approximately HK\$2.0 million for the Period.
- The Board does not recommend the payment of an interim dividend for the Period.
- Loss per share of the Company was approximately HK0.61 cents (Previous Period: HK1.84 cents).

## FINANCIAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the Period, 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 nine months ended 31 December 2022*

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	<b>95,817</b>	54,586	<b>200,865</b>	157,663
Cost of services		<b>(84,752)</b>	(54,436)	<b>(186,796)</b>	(155,315)
Gross profit		<b>11,065</b>	150	<b>14,069</b>	2,348
Other income and gains or losses	5	<b>148</b>	256	<b>1,549</b>	1,645
Allowance recognised on:					
— other receivables		<b>(685)</b>	—	<b>(914)</b>	—
— contract assets		<b>(1,547)</b>	—	<b>(3,833)</b>	—
Administrative expenses		<b>(4,111)</b>	(3,012)	<b>(12,223)</b>	(9,792)
Finance costs	6	<b>(167)</b>	(59)	<b>(424)</b>	(99)
Profit/(loss) before tax	7	<b>4,703</b>	(2,665)	<b>(1,776)</b>	(5,898)
Income tax expenses	8	<b>(133)</b>	—	<b>(253)</b>	—
Profit/(loss) and other comprehensive income/ (expense) for the period		<b><u>4,570</u></b>	<u>(2,665)</u>	<b><u>(2,029)</u></b>	<u>(5,898)</u>
Profit/(loss) and other comprehensive income/ (expense) for the period attributable to:					
Owners of the Company		<b>4,576</b>	(2,665)	<b>(2,019)</b>	(5,898)
Non-controlling interests		<b>(6)</b>	—	<b>(10)</b>	—
		<b><u>4,570</u></b>	<u>(2,665)</u>	<b><u>(2,029)</u></b>	<u>(5,898)</u>
Earnings/(loss) per share					
Basic (HK cents)	10	<b><u>1.35</u></b>	<u>(0.83)</u>	<b><u>(0.61)</u></b>	<u>(1.84)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2022

	Attributable to owners of the Company				Sub-total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained earnings 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	—	—	—	(5,898)	(5,898)	—	(5,898)
Dividends recognised as distribution	—	—	—	(3,520)	(3,520)	—	(3,520)
<b>At 31 December 2021 (Unaudited)</b>	<b>3,200</b>	<b>48,097</b>	<b>10,010</b>	<b>17,249</b>	<b>78,556</b>	<b>—</b>	<b>78,556</b>
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	—	—	—	(2,019)	(2,019)	(10)	(2,029)
<b>At 31 December 2022 (Unaudited)</b>	<b>3,400</b>	<b>58,541</b>	<b>10,010</b>	<b>7,565</b>	<b>79,516</b>	<b>137</b>	<b>79,653</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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, KY11111, 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 nine months ended 31 December 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 6 February 2023.

## 2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the nine months ended 31 December 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.

In preparing the Financial Statements, the significant judgments made by the Company's management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group's audited consolidated financial statements for the year ended 31 March 2022. 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.

### 3. 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.

### 4. REVENUE

An analysis of the Group's revenue recognised during the Period is as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>				
Fitting-out work	69,283	17,023	128,098	70,832
Renovation work	24,889	37,563	69,040	86,831
Nano-AM application services	1,645	—	3,727	—
Total	<u>95,817</u>	<u>54,586</u>	<u>200,865</u>	<u>157,663</u>

## 5. OTHER INCOME AND GAINS OR LOSSES

	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Other income</b>				
Bank interest income	11	3	25	9
Consultancy fee income ( <i>note (i)</i> )	—	169	—	1,507
Government subsidies under the Employment Support Scheme ( <i>note (ii)</i> )	134	—	1,490	—
Government subsidies under the Distance Business Programme ( <i>note (iii)</i> )	—	—	23	21
Other interest income	3	4	11	12
<b>Other net gains or losses</b>				
Net exchange loss	—	—	—	(5)
Net gain on disposal of plant and equipment	—	80	—	101
Total	<u>148</u>	<u>256</u>	<u>1,549</u>	<u>1,645</u>

### Notes:

- (i) The consultancy fee income was recognised over time using the output method.
- (ii) Government subsidies amounted to approximately HK\$1,490,000 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		Nine months ended	
	31 December		31 December	
	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	121	42	285	42
Interest on lease liabilities	46	17	139	57
	<u>167</u>	<u>59</u>	<u>424</u>	<u>99</u>



## 7. PROFIT/(LOSS) BEFORE TAX

	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) before tax has been arrived at after charging:				
Directors' emolument				
Fees	18	54	54	162
Salaries, allowances and other benefits	1,012	1,403	2,930	4,029
Retirement benefit scheme contributions	9	9	27	27
	<u>1,039</u>	<u>1,466</u>	<u>3,011</u>	<u>4,218</u>
Other staff costs				
Salaries, allowances and other benefits	5,150	4,231	19,890	17,191
Retirement benefit scheme contributions	235	248	698	693
	<u>5,385</u>	<u>4,479</u>	<u>20,588</u>	<u>17,884</u>
Total staff costs	6,424	5,945	23,599	22,102
Less: amounts included in cost of services	<u>(4,847)</u>	<u>(4,443)</u>	<u>(17,545)</u>	<u>(16,507)</u>
Amounts included in administrative expenses	<u>1,577</u>	<u>1,502</u>	<u>6,054</u>	<u>5,595</u>
Auditors' remuneration	163	125	413	375
Depreciation of property, plant and equipment	117	114	350	227
Depreciation of right-of-use assets	<u>537</u>	<u>576</u>	<u>1,841</u>	<u>1,706</u>

## 8. INCOME TAX EXPENSES

	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong Profits Tax				
— Current period	<u>133</u>	<u>—</u>	<u>253</u>	<u>—</u>

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the period. In the Previous Period, no provision for the Hong Kong Profits Tax had been made since the Company had no assessable profits.

## 9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2022 (nine months ended 31 December 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 nine months ended 31 December 2022.

## 10. EARNINGS/(LOSS) PER SHARE

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the owners of the Company	<u>4,576</u>	<u>(2,665)</u>	<u>(2,019)</u>	<u>(5,898)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>340,000</u>	<u>320,000</u>	<u>331,055</u>	<u>320,000</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Outlook

#### *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 two large-scaled fitting-out projects with a total contract sum of approximately HK\$69.6 million and contributed a total revenue of HK\$18.9 million for the Period. In the Previous Period, the Group had been awarded a total of seven large-scaled projects, which comprised three fitting-out project and four renovation projects with a total contract sum of approximately HK\$208.9 million and contributed a revenue of approximately HK\$61.8 million.

#### *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 overall revenue increased from approximately HK\$157.7 million for the Previous Period to approximately HK\$200.9 million for the Period, representing an increase of approximately 27.4%.

The revenue for fitting-out works for the Period was approximately HK\$128.1 million, represented an increase of approximately 80.8% from approximately HK\$70.8 million for the Previous Period. The increase was mainly due to the increase in revenue contributed from several large-scaled fitting projects located in Repulse Bay, Mid-levels, Tuen Mun and Kwun Tong which contributed an aggregate revenue of approximately HK\$95.6 million for the Period.

The revenue for renovation works for the Period was approximately HK\$69.0 million, represented a decrease of approximately 20.5% from approximately HK\$86.8 million for the Previous Period. The decrease was mainly due to a substantial portion of the renovation works for several large-scaled renovation projects located in Stanley, Causeway Bay, Shatin and the Peak completed in last financial year and as such the aggregate revenue contributed from these large-scaled renovation projects decreased from approximately HK\$46.6 million for the Previous Period to approximately HK\$14.6 million for the Period.

### ***Cost of Services***

The Group's cost of services increased from approximately HK\$155.3 million for the Previous Period to approximately HK\$186.8 million for the Period, representing an increase of approximately 20.3%.

### ***Gross Profit***

The Group's gross profit amounted to approximately HK\$14.1 million and HK\$2.3 million for the nine months ended 31 December 2022 and 2021 respectively, representing an increase of approximately 499.2%. Such increase was primarily attributable to the increase in revenue for the Period as mentioned above.

### ***Other Income and Gains or Losses***

The Group's other income and gains or losses decreased by approximately HK\$96,000 from approximately HK\$1,645,000 for the nine months ended 31 December 2021 to approximately HK\$1,549,000 for the nine months ended 31 December 2022. Such decrease was primarily due to a decrease in consultancy fee income of approximately HK\$1,507,000 in relation to the provision of consulting services to a PRC developer for a renovation project in the PRC partially offset by an increase in government subsidies under the Employment Support Scheme of approximately HK\$1,490,000 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\$0.9 million and HK\$3.8 million for the Period (Previous Period: Nil).

### ***Administrative Expenses***

The Group's administrative expenses amounted to approximately HK\$12.2 million and HK\$9.8 million for the nine months ended 31 December 2022 and 2021 respectively, representing an increase of approximately 24.8%. Such increase was primarily due to the increase in legal and professional fees, staff costs and office expenses by approximately HK\$1.0 million, HK\$0.5 million and HK\$0.4 million respectively.

### ***Finance Costs***

For the nine months ended 31 December 2022 and 2021, the Group's finance costs amounted to approximately HK\$424,000 and HK\$99,000 respectively, representing an increase of approximately 328.3%. Such increase was mainly due to the increases in interest on lease liabilities and interest on bank borrowings by approximately HK\$82,000 and HK\$243,000 respectively.

### ***Income Tax Expense***

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits for the period. In the Previous Period, no provision for the Hong Kong Profits Tax had been made since the Company had no assessable profits.

### ***Loss and Other Comprehensive Expense for the Period***

As a result of the aforesaid, the Group recorded a loss and other comprehensive expense of approximately HK\$2.0 million for the Period (Previous Period: HK\$5.9 million).

### ***Dividend***

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2022 (nine months ended 31 December 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 nine months ended 31 December 2021.

### **Borrowing Facilities**

As at 31 December 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 31 December 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 31 December 2022 was 16.3% (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 31 December 2022 were approximately HK\$26.9 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 31 December 2022 was comfortably maintained at 1.9 (31 March 2022: 2.3). As at 31 December 2022, the Group's bank balances and cash, except a small aggregate amount of approximately HK\$344,000 (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 31 December 2022, the Company's issued share capital was HK\$3,400,000 (31 March 2022: HK\$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:

	<b>Planned amount utilised up to 31 December 2022 HK\$'000</b>	<b>Actual utilised amount as at 31 December 2022 HK\$'000</b>	<b>Unutilised amount as at 31 December 2022 HK\$'000</b>
Working capital	<u>10,644</u>	<u>1,772</u>	<u>8,872</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 31 December 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.

## **Capital Commitments**

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

## **Employees and Remuneration Policies**

As at 31 December 2022, the Group had a total of 59 employees (31 March 2022: 63 employees). Total staff costs amounted to approximately HK\$23.6 million for the Period, as compared to approximately HK\$22.1 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 31 December 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 <sup>(1)</sup> / interest of spouse <sup>(2)</sup>	164,200,000	48.29%
Ms. Liu Lee Lee Lily	Interest in controlled corporation <sup>(1)</sup> / interest of spouse <sup>(2)</sup>	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 31 December 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 31 December 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**

<b>Name of shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number of ordinary shares held</b>	<b>Approximate percentage shareholding</b>
Advance Goal <sup>(1)</sup>	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 <sup>(2)</sup>	Interest of spouse	164,200,000	48.29%
Mr. Chen Yi Sung <sup>(3)</sup>	Beneficial owner	35,700,000	10.50%

*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.
3. On 11 January 2023, Mr. Chen Yi Sung further acquired 1,030,000 Share representing approximately 0.30% of the Company's issued shares.

Saved as disclosed above, as at 31 December 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 31 December 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 Mr. Xu Zhi Qiang. 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 Holdings Limited**  
**Cheng Tsang Fu Dennis**  
*Chairman and Chief Executive Officer*

Hong Kong, 6 February 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Cheng Tsang Fu Dennis, Ms. Liu Lee Lee Lily, Mr. Chui Kai Tai and Ms. Lin Xiaoling; 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 Mr. Xu Zhi Qiang.*

*This announcement will remain in the “Latest Company Announcements” page of the Stock Exchange website at [www.hkexnews.hk](http://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](http://www.coolpointinnonism.com).*