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BOLTEK HOLDINGS LIMITED **寶燧控股有限公司**

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8601)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

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

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

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

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries for the three months and six months ended 30 June 2023, together with the unaudited comparative figures for the three months and six months ended 30 June 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2023

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2023	2022	2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	41,931	41,871	79,051	78,839
Cost of services		<u>(26,782)</u>	<u>(27,466)</u>	<u>(50,172)</u>	<u>(50,134)</u>
Gross profit		15,149	14,405	28,879	28,705
Other income and other gain	3	2,107	378	2,726	1,011
Administrative expenses		(9,426)	(8,116)	(16,357)	(14,104)
Finance costs		(31)	(27)	(63)	(51)
Profit before income tax	5	7,799	6,640	15,185	15,561
Income tax expenses	6	(1,033)	(1,205)	(1,985)	(2,430)
Profit and total comprehensive income for the period attributable to equity holders of the Company		<u>6,766</u>	<u>5,435</u>	<u>13,200</u>	<u>13,131</u>
Earning per share attributable to equity holders of the Company					
Basic and diluted (HK cents per share)	7	<u>0.85</u>	<u>0.68</u>	<u>1.65</u>	<u>1.64</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		6,576	6,594
Deposits for acquisition of property, plant and equipment		–	200
		6,576	6,794
Current assets			
Contract assets		26,233	24,232
Trade and other receivables	9	57,323	52,338
Tax recoverable		–	695
Time deposit with original maturity over 3 months		–	56,816
Cash and bank balances		127,165	79,169
		210,721	213,250
Current liabilities			
Contract liabilities		145	145
Provisions		2,119	2,157
Trade and other payables	10	6,075	11,182
Lease liabilities		1,781	2,778
Amount due to a director		–	11,350
Tax payable		1,313	–
		11,433	27,612
Net current assets		199,288	185,638
Total assets less current liabilities		205,864	192,432
Non-current liabilities			
Lease liabilities		1,286	1,027
Deferred tax liabilities		24	51
		1,310	1,078
Net assets		204,554	191,354
EQUITY			
Share capital	11	8,000	8,000
Reserves	12	196,554	183,354
Total equity		204,554	191,354

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Share Capital <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 January 2023 (Audited)	8,000	17,000	64,668	101,686	191,354
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>13,200</u>	<u>13,200</u>
Balance at 30 June 2023 (Unaudited)	<u>8,000</u>	<u>17,000</u>	<u>64,668</u>	<u>114,886</u>	<u>204,554</u>

For the six months ended 30 June 2022

	Share Capital <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 January 2022 (Audited)	8,000	17,000	64,668	81,727	171,395
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>13,131</u>	<u>13,131</u>
Balance at 30 June 2022 (Unaudited)	<u>8,000</u>	<u>17,000</u>	<u>64,668</u>	<u>94,858</u>	<u>184,526</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash (used in)/generated from operating activities	(7,227)	7,213
Net cash generated from/(used in) investing activities	57,311	(496)
Net cash used in financing activities	<u>(2,088)</u>	<u>(1,995)</u>
Increase in cash and cash equivalents	47,996	4,722
Cash and cash equivalents at beginning of the period	<u>79,169</u>	<u>74,294</u>
Cash and cash equivalents at end of the period	<u>127,165</u>	<u>79,016</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 18 April 2018. The address of registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at 5/F, Winning Commercial Building, 46–48 Hillwood Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of engineering consultancy services in Hong Kong.

The Company's immediate and ultimate holding company is Waywin Investment Holding Limited, a company incorporated in the British Virgin Islands (the "BVI"). The ultimate controlling shareholder of the Group is Mr. Cheung Kwan Tar ("Mr. Cheung" or "Controlling Shareholder").

2. BASIS OF PREPARATION AND REORGANISATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("HK\$'000"), except where otherwise indicated.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial information for the year ended 31 December 2022 as set out in the annual report of the Company dated 27 March 2023 ("Annual Report"), the unaudited consolidated financial information for the period ended 31 March 2023 as set out in the first quarterly report of the Company dated 5 May 2023, the unaudited consolidated financial information for the period ended 30 June 2022 as set out in the interim report of the Company dated 8 August 2022.

Except as described below, the accounting policies used in the financial highlights for the six months ended 30 June 2023 are the same as those followed in the preparation of the Annual Report.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on GEM (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 10 August 2018. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure – Reorganisation" in the prospectus of the Company dated 29 August 2018 ("Prospectus").

The Group is under the common control of the Controlling Shareholder prior to and after the Reorganisation. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

Accordingly, the unaudited combined financial statements of the Group have been prepared using the principles of merger accounting in accordance with Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by HKICPA as if the group structure under the Reorganisation had been in existence throughout the periods presented, or since their respective dates of incorporation, where it is a shorter period. The assets and liabilities of all the companies now comprising the Group are consolidated using the book values from the Controlling Shareholder's perspective.

3. REVENUE AND OTHER INCOME

3.1 Revenue

The Group's principal activities are disclosed in Note 1 of the unaudited condensed consolidated financial statements. Revenue is recognised over time and is disaggregated by nature of engineering design and consultancy services as follows:

	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Civil engineering				
– Road & structural engineering	28,112	27,296	52,999	52,185
– Geotechnical engineering	3,106	4,732	5,856	8,910
– Others	3,002	2,632	5,659	4,955
	34,220	34,660	64,514	66,050
Traffic engineering	6,115	5,334	11,528	9,256
Building engineering	1,466	1,554	2,763	2,925
Other ancillary services	130	323	246	608
	41,931	41,871	79,051	78,839

Under the contracts with customers, each engineering design and consultancy service contract relates to facts and circumstances that are specific to each customer. Contract terms provide the Group with an enforceable right to payment, for its performance completed to date, of its costs incurred plus a reasonable margin.

Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at 30 June 2023.

	At 30 June 2023 <i>HK\$'000</i> (Unaudited)
Remaining performance obligations expected to be satisfied during the year ending	
30 June 2024	166,779
30 June 2025	88,528
After 30 June 2025	28,053
	283,360

3.2 Other Income

	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bank interest income	1,838	41	2,130	234
Government subsidies (<i>note a</i>)	269	135	596	575
COVID-19 related government subsidies (<i>note b</i>)	–	202	–	202
	<u>2,107</u>	<u>378</u>	<u>2,726</u>	<u>1,011</u>

Notes:

- (a) Subsidies have been received from the Hong Kong Vocational Training Council and the Construction Industry Council, institutions established by the Hong Kong Government (the “HKSAR Government”), for providing on-the-job training for graduate engineers and trainees, respectively. There were no unfulfilled conditions or contingencies relating to these subsidies.
- (b) During the period ended 30 June 2022, government subsidies in respect of COVID-19 in relation to Employment Support Scheme provided by the HKSAR Government have been received.

4. SEGMENT INFORMATION

Segment information

The chief operating decision maker has been identified as the executive directors of the Company. The directors regard the Group’s business of provision of engineering design and consultancy services as a single operating segment and reviews the overall results of the Group as a whole to make decision about resources allocation. Accordingly, no segment analysis information is presented.

Geographical information

No separate analysis of segment information by geographical segment is presented as the Group’s revenue and non-current assets are principally attributable to a single geographical region, which is Hong Kong.

5. PROFIT BEFORE INCOME TAX

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit before income tax is stated after charging:				
(a) Staff costs (including directors' emoluments) (<i>Note (i)</i>)				
– Salaries, wages, bonus and other benefits	22,639	24,981	45,716	43,434
– Contributions to defined contribution retirement plans	591	604	1,217	1,146
	<u>23,230</u>	<u>25,585</u>	<u>46,933</u>	<u>44,580</u>
(b) Other items				
Depreciation (included in administrative expenses)				
– Owned assets	403	433	806	755
– Right of use asset	981	1,297	1,957	1,944
Subconsultancy fees (included in cost of services)	1,921	4,172	4,468	6,774
Auditor's remuneration	249	257	449	407
Operating lease charges in respect of leased premises	99	129	192	132
	<u>99</u>	<u>129</u>	<u>192</u>	<u>132</u>

Note:

(i) Staff costs (including directors' emoluments)

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cost of services	20,492	22,924	41,769	39,764
Administrative expenses	2,738	2,661	5,164	4,816
	<u>23,230</u>	<u>25,585</u>	<u>46,933</u>	<u>44,580</u>

6. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax – Hong Kong Profits Tax	1,033	1,205	2,013	2,430
Deferred income tax	–	–	(28)	–
	<u>1,033</u>	<u>1,205</u>	<u>1,985</u>	<u>2,430</u>

Hong Kong profits tax has been provided in accordance with the two-tiered profits tax regime for the six months ended 30 June 2023 and 2022.

7. EARNING PER SHARE

The calculation of basic earning per share attributable to equity holders of the Company is based on the following:

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Earning				
Profit for the period attributable to equity holders of the Company	<u>6,766</u>	<u>5,435</u>	<u>13,200</u>	<u>13,131</u>
Number of shares				
Weighted average number of ordinary shares (<i>in thousands</i>)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>

There were no dilutive potential ordinary shares during the three months and six months ended 30 June 2023 and 2022 and therefore, diluted earning per share equals to basic earning per share.

Diluted earnings per share

The Group has no potentially dilutive ordinary shares in issue during the three months and six months ended 30 June 2023 and 2022. Diluted earnings per share for the three months and six months ended 30 June 2023 and 2022 were the same as the basic earnings per share.

8. DIVIDEND

At a meeting held on 11 August 2023, the Board of Directors of the Company declared 2023 interim dividend of HK\$0.08125 per ordinary share to the shareholders totaling HK\$65 million (for the six months ended 30 June 2022: nil).

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade receivables	47,526	43,650
Less: ECL allowance	–	(1,754)
	<u>47,526</u>	<u>41,896</u>
Other receivables	7,419	8,695
Prepayments	2,206	1,575
Utility and other deposits	172	372
	<u>57,323</u>	<u>52,538</u>
Less: Non-current deposits for acquisition of property, plant and equipment	–	(200)
	<u>57,323</u>	<u>52,338</u>

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts, because their balances have short maturity periods on their inception.

Trade receivables

The Group usually provide customers with a credit term of 0 to 60 days. For the settlement of trade receivables from provision of engineering consultancy services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management.

Based on the invoice dates, the ageing analysis of the trade receivables was as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
0 – 30 days	13,457	13,711
31 – 60 days	7,785	6,968
61 – 90 days	4,771	4,392
91 – 365 days	17,229	14,097
Over 365 days	4,284	2,728
	<u>47,526</u>	<u>41,896</u>

Other receivables

No amounts in relation to other receivables were past due as at 30 June 2023 and 31 December 2022.

10. TRADE AND OTHER PAYABLES

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Trade payables (<i>note (a)</i>)	273	1,574
Accruals and other payables	<u>5,802</u>	<u>9,608</u>
	<u>6,075</u>	<u>11,182</u>

Notes:

- (a) The Group is usually granted by suppliers with a credit term of 0 to 30 days.

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

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
0 – 30 days	–	1,010
31 – 60 days	–	–
61 – 90 days	–	43
91 – 365 days	–	248
Over 365 days	<u>273</u>	<u>273</u>
	<u>273</u>	<u>1,574</u>

- (b) All amounts are short-term and hence, the carrying values of the Group's trade payables and accruals and other payables are considered to be a reasonable approximation of fair value.

11. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each upon incorporation on 18 April 2018 (<i>Note (a)</i>)	10,000,000	100
Increase of authorised share capital (<i>Note (b)(ii)</i>)	1,490,000,000	14,900
	<u>1,500,000,000</u>	<u>15,000</u>
As at 31 December 2022 and 30 June 2023	<u>1,500,000,000</u>	<u>15,000</u>
Issued but not paid up:		
Ordinary shares of HK\$0.01 each upon incorporation on 18 April 2018 (<i>Note a</i>)	1	–
Transfer to issued and fully paid upon Reorganisation (<i>Note (b)(i)</i>)	(1)	–
	<u>–</u>	<u>–</u>
As at 31 December 2022 and 30 June 2023	<u>–</u>	<u>–</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each upon incorporation on 18 April 2018 (<i>Note (a)</i>)	–	–
Transfer from issued and not paid upon the Reorganisation (<i>Note (b)(i)</i>)	1	–*
Issuance of ordinary shares (<i>Note (b)(i)</i>)	1,999	–*
Issuance of ordinary shares pursuant to the Capitalisation Issue (<i>Note (b)(iii)</i>)	599,998,000	6,000
Issuance of ordinary shares pursuant to the Share Offer (<i>Note (c)</i>)	200,000,000	2,000
	<u>800,000,000</u>	<u>8,000</u>
As at 31 December 2022 and 30 June 2023	<u>800,000,000</u>	<u>8,000</u>

* The balances represented an amount less than HK\$1,000.

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 18 April 2018 with an initial authorised share capital of HK\$100,000 divided into 10,000,000 ordinary shares of HK\$0.01 each and 1 nil-paid share was issued thereafter.
- (b) As part of the Reorganisation for the Listing:
- (i) On 10 August 2018, 1,999 new ordinary shares and the one issued ordinary share were credited as fully paid.
- (ii) On 20 August 2018, the authorised share capital was increased from HK\$100,000 divided into 10,000,000 ordinary shares of par value HK\$0.01 each to HK\$15,000,000 divided into 1,500,000,000 ordinary shares of par value HK\$0.01 each, by the creation of an additional 1,490,000,000 shares.
- (iii) On 20 August 2018, 599,998,000 new ordinary shares of nominal value of HK\$5,999,980 were issued and credited as fully paid, by way of capitalisation from the share premium account of the Company, pursuant to the Capitalisation Issue as detailed in the Prospectus.

- (c) On 12 September 2018, 200,000,000 new ordinary shares of par value of HK\$0.01 each share were issued at a price of HK\$0.4 per share and credited as fully paid pursuant to the Share Offer as detailed in the Prospectus. The gross proceeds amounted to HK\$80,000,000 and the listing costs directly attributable to the issue of shares amounted to approximately HK\$7,332,000. The remaining proceeds amounted to approximately HK\$70,668,000 were credited to the Company's share premium account.
- (d) On 27 February 2018, the same capital of Mannings was increased by HK\$4,999,900 with allotment of 4,999,900 ordinary shares by capitalising HK\$4,999,900 of amounts due to the then shareholder ("Loan Capitalisation").
- (e) In March 2018, as part of the Reorganisation, (i) Richness Universal was authorised to allot and issue, credited as fully paid, a total of 482 ordinary shares of US\$1 each to Pre-IPO Investors at consideration of HK\$12,000,000 ("Pre-IPO Investments"); and (ii) 518 new ordinary shares and 98 new ordinary shares of Richness Universal, credited as fully paid at par, were allotted to Mr. Cheung Kwan Tar and a Pre-IPO Investor respectively, by way of bonus issue ("Bonus Shares").

12. RESERVES

The amounts of the Group's reserves and the movements during the periods are presented in the condensed consolidated statement of changes in equity of the condensed consolidated financial statements.

(a) Capital reserve

Capital reserve of the Group as at 30 June 2023 represents the difference between the nominal value of the share capital of subsidiaries acquired by the Group and the nominal value of the Company's shares issued for the acquisition under the Reorganisation.

(b) Share premium

The share premium includes (i) the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company as detailed in Note 11(c) less the Capitalisation Issue as detailed in Note 11(b)(iii).

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

MANAGEMENT DISCUSSION AND ANALYSIS

DEVELOPMENT OF BUSINESS AND PROSPECTS

The Group is an engineering consultant in Hong Kong with a focus on the field of infrastructure developments.

For the six months ended 30 June 2023, the Group recorded a net profit of approximately HK\$13.2 million as compared to a net profit of approximately HK\$13.1 million for the same period in 2022. In view of the fact that there has been an increasing number of project quotation invitations received by the Group from potential and current customers, the Directors are cautiously optimistic about the Group's business outlook.

OUTLOOK

The Group always strives to improve our operation efficiency and profitability of our business. The Group will also proactively seek opportunities to expand our customer base and our market share and undertake more projects which will enhance value to our shareholders.

FINANCIAL REVIEW

Revenue

Our revenue remains constant at approximately HK\$79.1 million for the six months ended 30 June 2023 (six months ended 30 June 2022 approximately HK\$78.8 million).

Direct Costs

Our direct costs remains constant at approximately HK\$50.2 million for the six months ended 30 June 2023 (six months ended 30 June 2022 approximately HK\$50.1 million), which is mainly due to the increase in direct labour costs was balanced out by the decrease in subconsultancy fees.

Gross Profit

Our gross profit remains constant at approximately HK\$28.9 million for the six months ended 30 June 2023 (six months ended 30 June 2022 approximately HK\$28.7 million).

Other income and other gain

Other income and other gain increased by approximately HK\$1.7 million or 169.6% from approximately HK\$1.0 million for the six months ended 30 June 2022 to approximately HK\$2.7 million for the six months ended 30 June 2023. The increase was mainly due to increase in the bank interest income earned on time deposit, which amounted to approximately HK\$2.1 million for the six months ended 30 June 2023 and approximately HK\$0.2 million for the six months ended 30 June 2022.

Administrative Expenses

Our administrative expenses increased to approximately HK\$16.4 million for the six months ended 30 June 2023, by approximately HK\$2.3 million or 16.0%, from approximately HK\$14.1 million for the corresponding period ended 30 June 2022. The increase was mainly due to the increase in staff benefit after the easing of Covid-19 restriction in 2023.

Income tax expense

Income tax expense decreased by approximately HK\$0.4 million or 18.3% from approximately HK\$2.4 million for the six months ended 30 June 2022 to approximately HK\$2.0 million for the six months ended 30 June 2023, the decrease was mainly due to the decrease in taxable profit for the six months ended 30 June 2023.

Dividend

The Board has resolved to declare an interim dividend of HK0.08125 per ordinary share for the period ended 30 June 2023 (the “Interim Dividend”), payable in cash on or about Monday, 18 September 2023 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company (the “Register of Members”) on Wednesday, 30 August 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders’ entitlement to the Interim Dividend, the Register of Members will be closed from Monday, 28 August 2023 to Wednesday, 30 August 2023, both days inclusive, during which period no transfer of the Company’s shares shall be registered. In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Friday, 25 August 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations primarily through cash generated from its operating activities.

Cash and cash equivalents and time deposits

As at 30 June 2023, the Group's cash and bank balances and time deposits amounted to approximately HK\$127.2 million (For the year ended 31 December 2022: HK\$136.0 million).

Net current assets

As at 30 June 2023, the Group had net current assets of approximately HK\$199.3 million (For the year ended 31 December 2022: HK\$185.6 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. As at 30 June 2023, the Group's total equity attributable to owners of the Company amounted to approximately HK\$204.6 million (For the year ended 31 December 2022: HK\$191.4 million).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the six months ended 30 June 2023 and up to the date of this announcement.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position during the six months ended 30 June 2023. 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.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any contingent liabilities (For the year ended 31 December 2022: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, including the Directors, the Group had a total of 388 employees (For the year ended 31 December 2022: 349).

The Group recognises employees as valuable assets and the Group's success is underpinned by its employees. In line with the Group's human resource policies, the Group is committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of employees. The Group regularly reviews the human resource policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. We always place emphasis on attracting qualified applicants by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions, and are adjusted in a timely manner to keep them in line with market benchmarking. In addition, the Company has conditionally adopted a share option scheme on 20 August 2018 so as to motivate, attract and retain the right employees.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except on disclosed herein, the Group did not have any significant investments during the six months ended 30 June 2023 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the six months ended 30 June 2023.

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

Gearing ratio is calculated as total borrowings (including payables incurred not in the ordinary course of business) divided by the total equity as at the respective reporting dates. As at 30 June 2023 the Group's gearing ratio was nil (For the year ended 31 December 2022: nil).

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules during the six months ended 30 June 2023.

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 six months ended 30 June 2023.

DISCLOSURE OBLIGATION PURSUANT TO THE GEM LISTING RULES

The Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

INCREASE IN SHAREHOLDING IN THE COMPANY BY CONTROLLING SHAREHOLDERS

On 17 January 2023, Waywin Investment Holding Limited, a controlling shareholder of the Company, acquired 57,600,000 shares of the Company at a total consideration of HK\$5,000,000 (representing an average price of approximately HK\$0.087 per Share) through an off-market transaction. For further detail please refer to the announcement dated 17 January 2023.

On 30 March 2023 Waywin Investment Holding Limited, a controlling shareholder of the Company, acquired 57,600,000 shares of the Company at a total consideration of HK\$5,000,000 (representing an average price of approximately HK\$0.087 per Share) through an off-market transaction. For detail please refer to the announcement dated 30 March 2023.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, THE UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the required standard of dealings as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary shares of the Company

Name of Director	Nature of interest	Number of the shares held/ interested	Percentage of shareholding
Cheung Kwan Tar	Interest in a controlled corporation (<i>Note</i>)	541,200,000	67.65%

Note: These shares were held by Waywin Investment Holding Limited (“Waywin”), a controlled corporation of Mr. Cheung Kwan Tar.

Long positions in ordinary shares of associated corporation – Waywin

Name of Director	Nature of interest	Number of shares held/ interested	Percentage of shareholding
Cheung Kwan Tar	Beneficial owner	1	100%

Saved as disclosed above, as at 30 June 2023, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO.

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

As at 30 June 2023, the following parties (other than the Directors or the chief executive of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company

Name of substantial shareholder	Nature of interest	Number of shares held/ interested	Percentage of shareholding
Cheung Kwan Tar	Interest in a controlled corporation (<i>Note 1</i>)	541,200,000	67.65%
Chiu Chui Ping	Interest of spouse (<i>Note 2</i>)	541,200,000	67.65%
Waywin Investment Holding Limited	Beneficial owner	541,200,000	67.65%
Cheng Chi Heng	Beneficial owner	58,800,000	7.35%

Notes:

1. These shares were held by Waywin, a controlled corporation of Mr. Cheung Kwan Tar.
2. Ms. Chiu Chui Ping was deemed to be interested in 426,000,000 shares of the Company through the interest of her spouse, Mr. Cheung Kwan Tar.

Save as disclosed above, as at 30 June 2023, the Company is not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to achieving a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Board has and will continue to review and improve the Company's corporate governance practices from time to time in order to increase its transparency and accountability to shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules as its own corporate governance code since the Listing Date. The Company has, so far as applicable, principally complied with the CG Code throughout the period from the Listing Date to 30 June 2023.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in the Company. No incidence of non-compliance was noted for the six months ended 30 June 2023 and up to the date of this announcement.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 20 August 2018. No share option has been granted under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee include, among others, (a) making recommendations to our Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our periodic reports and accounts and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. As at the date of this announcement, the audit committee comprises of three independent non-executive Directors, namely Ms. Chik Wai Chun, Mr. Chan Yu Sum Sam and Mr. Chan Kai Kow Macksion.

The unaudited interim results of the Group for the six months ended 30 June 2023 have not been audited by the Company's independent auditors, but have been reviewed by the audit committee members who have provided advice and comments thereon.

By order of the Board
Boltek Holdings Limited
Cheung Kwan Tar
Chairman and executive Director

Hong Kong, 11 August 2023

As at the date of this announcement, the executive Directors are Mr. Cheung Kwan Tar and Mr. Ng Pak Hung and the independent non-executive Directors are Ms. Chik Wai Chun, Mr. Chan Yu Sum Sam and Mr. Chan Kai Kow Macksion.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Company Announcements" page for at least 7 days from the date of its posting and will be published on the Company's website at www.boltekhholdings.com.